



Daily Report

China

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General

'Yinhe' May Have 'Disposed of' Chemicals

HK0109145093 Hong Kong AFP in English 1430 GMT
1 Sep 93

[Text] Hong Kong, Sept 1 (AFP)—The Chinese cargo ship Yinhe, thought by the United States to be carrying chemical weapons precursors, may have gotten rid of them before arriving in the Gulf, a Hong Kong-based news weekly said. In its edition to be published Thursday, the FAR EASTERN ECONOMIC REVIEW said "U.S. intelligence may be paying the price for being slack in its vigil of the Yinhe." The ship is currently being searched for the components of chemical weapons at a Saudi Arabian port.

The Hong Kong-based REVIEW, by "piecing together circumstantial evidence," said it believed the ship was alerted to U.S. interest in the Iran-bound cargo and the "captain managed to off-load the chemicals before reaching the Gulf." It said U.S. intelligence "could confirm" the chemicals were still aboard when the Yinhe stopped in Singapore, but not after. It stopped in Jakarta for several days before sailing toward the Gulf. The report did not say how the chemicals may have been disposed of.

Foreign Ministry Holds Weekly News Briefing

On Inspection of 'Yinhe' Cargo

OW0209093893 Beijing XINHUA in English 0920
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—A Foreign Ministry spokesman said here today that inspection of the entire cargo on the Chinese ship "Yinhe" destined for Iran showed no thiodiglycol and thionyl chloride, thus proving statements made by the Chinese side to be true.

Spokesman Wu Jianmin made the announcement at a weekly press conference here this afternoon, when asked about the results of the inspection on the "Yinhe" cargo ship.

The results of the inspection on the "Yinhe" cargo ship will be officially made public some time later, Wu said. "What can be said now is that since 28 August, the representatives of the Government of Saudi Arabia, in the presence of representatives of the Chinese Government, conducted an inspection on the cargo in question carried by the Chinese ship 'Yinhe' at the Damman Port, Saudi Arabia."

"Personnel dispatched by the United States Government took part in the whole process of inspection as technical advisors to the Saudi side," Wu said.

"The inspection on all the cargo on the ship loaded at a Chinese port, including that transhipped from Hong Kong destined for Iran showed that the ship did not

carry at all the two chemicals of thiodiglycol and thionyl chloride, thus proving the repeated clarifications made by the Chinese side to be true," he said.

Urges Lifting U.S. Sanctions

OW0209105793 Beijing XINHUA in English 1047
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—A Foreign Ministry spokesman today urged the United States to lift economic sanctions imposed on China.

"On the issue of resolving differences between countries, China always stands for dialogue and opposes exerting pressure," spokesman Wu Jianmin said at a weekly press conference.

Wu said this when asked to comment on remarks made by U.S. Assistant Secretary Winston Lord that the United States is willing to negotiate with the Chinese side on the possibility of lifting the trade sanctions imposed on China.

"The United States should lift the sanctions imposed on China so as to facilitate the improvement and development of Sino-U.S. relations," Wu said.

On Taiwan Question

OW0209105893 Beijing XINHUA in English 1039
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—The question of Taiwan is purely China's internal affairs, and it is completely different from the questions of Germany and Korea. They can not be mentioned in the same breath, Chinese Foreign Ministry spokesman said here today.

The question of Germany and Korea had been the results of the international agreements in the wake of the Second World War, while the question of Taiwan has been left over from the Chinese civil war and result of the involvement of outside forces, said Foreign Ministry Spokesman Wu Jianmin.

The international community all recognizes that there is only one China in the world and Taiwan is part of China's territory, not a sovereign state. "It is exactly on these bases that the majority of the countries in the world have established the diplomatic ties with the People's Republic of China," Wu said at a press conference here this afternoon.

When applying to admission to the United Nations former East Germany, West Germany, Korea and South Korea had all been sovereign countries universally recognized by the international community, and established diplomatic ties with most of the countries in the world as well, Wu said.

Therefore the circumstances under which these countries applied for admission into U.N. can not constitute the model of parallel representations of separated countries which Taiwan authorities wish to follow, Wu said.

In response to a question whether the publication of the White Paper on the origins and present state of the question of Taiwan will have negative effects on the reunification, Wu said that the White Paper is an important document, it offers for the first time a systematic elucidation of the origins and present state of the question, interpretation of the Chinese Government principled position in this connection.

The publication of the White Paper will help the international community gain a comprehensive and correct understanding of the substance of the Taiwan issue and as well as Chinese Government's position, therefore it is conducive to the peaceful reunification, Wu said.

Welcomes Israeli-Palestinian Pact

OW0209095793 Beijing XINHUA in English 0907
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—China welcomes and appreciates the agreement reached between Israel and Palestine, a spokesman from Chinese Foreign Ministry said here today.

The agreement, if signed, will be a positive result in the Middle East peace process and a major step towards a comprehensive settlement of the question of Palestine, the spokesman Wu Jianmin said at a press conference this afternoon, when asked to comment on an agreement reached between Israel and Palestine.

"We hope that the parties will continue their negotiations with a pragmatic and flexible approach so as to bring about a comprehensive settlement of the question of the middle east at an early date," Wu said.

On Olympics Meeting in Monte Carlo

HK0209141293 Beijing ZHONGGUO XINWEN SHE
in Chinese 1216 GMT 2 Sep 93

[Excerpt] Beijing, 2 Sep (ZHONGGUO XINWEN SHE)—In response to a correspondent's question, Chinese Foreign Ministry spokesman Wu Jianmin said this afternoon that a leader of the Chinese Government will leave for Monte Carlo to attend a meeting there. The Chinese Olympic Committee will make an official announcement very soon.

At the news conference held by the Foreign Ministry this afternoon, a reporter asked: Vice President Rong Yiren's visit to Portugal and Spain ends at 22 September. Does this mean that he will attend the meeting in Monte Carlo, which is to decide the nation hosting the 2000 Olympics? Wu Jianmin made the above remarks in response to this question. [passage omitted]

Zou Jiahua To Visit Europe 10-20 Sep

OW0209102193 Beijing XINHUA in English 0828
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—Chinese Vice-Premier Zou Jiahua will pay an official visit to Poland,

Hungary and Belgium from September 10th to 20th, a spokesman from Chinese Foreign Ministry announced at a press conference here today.

Zou will visit the three countries at the invitation of Deputy Chairman of the Council of Ministers Henryk Goryszewski of Poland, the Hungarian Government and Vice-Premier and Foreign Minister Willy Claes of Belgium, the spokesman said.

Rong Yiren To Visit Portugal, Spain

OW0209102093 Beijing XINHUA in English 0822
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—At the invitation of Cavaco Silva, prime minister of the Republic of Portugal and the Government of Spain, Chinese Vice-President Rong Yiren will pay an official visit to Portugal and Spain from September 12th to 22nd.

This was announced by a Chinese Foreign Ministry spokesman here this afternoon at a press conference.

Swedish Minister To Visit 12-17 Sep

OW0209101893 Beijing XINHUA in English 0831
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—At the invitation of the Chinese Government, Deputy Prime Minister and Minister of Health and Social Affairs, Bengt Westerberg of Sweden, will pay an official visit to China from September 12th to 17th.

This was announced by a spokesman from the Chinese Foreign Ministry at a news conference here this afternoon.

Jordanian King To Visit 13-16 Sep

OW0209092993 Beijing XINHUA in English 0813
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—At the invitation of Chinese President Jiang Zemin, Jordanian King Husayn will pay an official goodwill visit to China from September 13th to 16th.

Husayn Bin-Talal of the Hashemite Kingdom of Jordan, will be accompanied by the queen, a Chinese Foreign Ministry spokesman announced here today at a press conference.

U.S., Pakistani Officials Discuss M-11 Issue

OW0209002893 Beijing XINHUA in English 0006
GMT 2 Sep 93

[Text] Washington, September 1 (XINHUA)—Pakistani Foreign Secretary Shaharyar Khan discussed regional security issues with a number of senior State Department officials here today, a department spokesman said.

Mike McCurry told a regular news briefing that "I'm sure the M-11 issue will be raised" during their discussions.

"But I would stress that we have a broad range of interests in our relationship with Pakistan," McCurry said.

The spokesman said this is part of "a routine series of bilateral conversations we are having with both India and Pakistan on regional issues of concern to us."

The United States is concerned over things "ranging from proliferation issues, tension in the region itself, step that can be taken to avoid the outbreak of war, and confidence-building measures that nations in the region can take to help diminish the prospects of hostility," McCurry added.

He believed the U.S. and Pakistani officials also talked about "more current issues" including the M-11 issue.

"We will work to find areas of cooperation," McCurry said, "and we will also work again to see if we can make any progress on clarifying our concerns about the M-11 issue itself."

The United States imposed economic sanctions on August 25 against China and Pakistan for alleged sales of M-11 technology, but both China and Pakistan have rejected such accusations.

Xu Youfang Speaks at International Forestry Meeting

OW0109164693 Beijing XINHUA in English 1617 GMT 1 Sep 93

[Text] New Delhi, September 1 (XINHUA)—Chinese Forestry Minister Xu Youfang stressed here today the importance of international cooperation on world forest preservation.

He said China "considers it quite reasonable to strengthen international cooperation, especially cooperation on investment and technology," expressing that China "does not hope to see motions interfering with other countries' affairs on the excuse of protecting environment and forest."

He made this remarks while addressing the first ministerial conference of the forestry forum for developing countries opening here today.

Expressing China's happiness to see the great efforts taking by many countries to improve the deterioration situation of forestry, Xu indicated that the developed countries should play their role in helping the developing countries strengthen their ability to confront difficulties such as lack of technology, low management standard and especially insufficient forest input on forest development.

The Chinese viewpoint was echoed by ministers from the host country of India, Malaysia and Indonesia who took their floors on the same day.

Attending the conference were forestry ministers from nearly one hundred countries and observers from some developed countries and representatives of international organizations.

The meeting is being held to achieve a harmonized approach by developing countries in implementing forestry principals and other allied program areas of "Agenda 21" agreed on Rio summit at the end of last year.

The forestry forum for developing countries seeks to evolve mutually agreeable strategies for the sustainable development of forests.

Ministers Hou Jie, Zheng Hongye Attend Exhibition

OW0109111893 Beijing XINHUA in English 1105 GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—An international transport exhibition, cosponsored by China's ministries of construction and communications, and the China Council for the Promotion of International Trade (CCPIT), opened here today.

During the six-day exhibition, more than 60 participants from various countries and regions including China, Canada, Germany, Czech Republic, Japan, Spain, the United States and Hong Kong will show their technology and equipment for highway and railway communications, ocean and river transport, and construction of ports, subways and light rails.

During the exhibition there will also be technological exchanges on eight projects.

Present at the opening ceremony were Hou Jie, Chinese minister of construction, Zheng Hongye, chairman of CCPIT, and relevant diplomatic envoys in Beijing.

United States & Canada

Jiang Zemin, Zhu Rongji Meet U.S. Senator

OW0109135993 Beijing XINHUA in English 1348 GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—Chinese President Jiang Zemin said here today that China and the United States should respect each other and follow the principle of non-interference in each other's internal affairs.

He made the remark while meeting with Dianne Feinstein, Senate member of the Congress of the United States, and her party at Zhongnanhai here this afternoon.

Extending a welcome to Feinstein and her party, Jiang described the consecutive China visits by about ten groups of members of the U.S. Congress last month as "a good event", which he said would be conducive to increasing mutual understanding and improving and developing the bilateral relationship.

He said, "soon after Bill Clinton was elected U.S. President, we put forward our view that the two countries should increase trust, reduce troubles, enhance cooperation and eschew confrontation."

This fully shows the positive, sincere and forward-looking attitude that China is taking toward the growth of bilateral ties, he said.

However, Jiang said, "the improvement of Sino-U.S. relations should be the goal of the common efforts of the two sides, while they should set great store by mutual respect and non-interference in each other's internal affairs."

Feinstein said she was very much concerned about the development of relations between the U.S. and China.

She expressed her willingness to help improve bilateral ties as a senator.

Both Jiang and Feinstein exchanged views on other issues of common concern during the meeting, which proceeded in a friendly and frank atmosphere.

Attending the meeting were Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, and Liu Huaqiu, vice-minister of foreign affairs.

U.S. Ambassador to China Stapleton Roy was also present.

This morning Vice Premier Zhu Rongji met with Mrs. Feinstein and her party, also at Zhongnanhai.

Columnist Says U.S. 'Cannot Dominate' World

HK0209040093 Beijing GUANGMING RIBAO in Chinese 24 Aug 93 p 7

["Focus" column by Wan Guang (8001 0342): "A World the Superpower Cannot Dominate"]

[Text] The disintegration of the Soviet Union has made the United States the only superpower in today's world. In the wake of the Gulf war, some people in the United States believed that a U.S.-dominated world would then be established. However, development of the international situation over the past several years has clearly showed that this wish cannot come true. Why is that?

On the part of the United States itself, although it tries hard to maintain its leading position in the world, its ability has fallen short of its wishes. The Cold War between the United States and the Soviet Union over the past several decades seriously impaired U.S. national strength and its economic power in particular, has been

weakened. Today, the United States still has the strongest military might in the world, yet the role played by military factors is declining under the new international situation. The focus of international competition has shifted to economic fields, in which the United States shows relatively poorer competence.

Judging from the relative strengths in today's world, following the end of the original bipolar set up, the development of the world's multipolar trend is accelerating and a tripartite confrontation between the United States, Europe, and Japan has now taken shape in international economic fields. The dominant position of the United States in Europe and the Asia-Pacific region has been challenged respectively by Western Europe (especially by Germany) and Japan, while the "new interference policy" being pursued by the United States on human rights issues and other matters has been boycotted by large numbers of developing countries.

In the face of the complicated and exorbitant new challenges in today's world, the United States feels it hard to cope with all of this on its own. U.S. President Bill Clinton said recently: "The United States cannot, and should not, undertake the burdens of the entire world on its own" but should "meet the challenges of the next century" with the help of the various international organs, such as the United Nations. U.S. Secretary of State Warren Christopher also indicated, "If we have to do everything by ourselves, our position as a superpower will not last."

Henry Kissinger pointed out last March: "The United States is a superpower in one sense and is not in another. The United States is the only military superpower, but there are increasingly fewer problems which can only be resolved through military means" and "in other fields, especially in economic strength, the United States is no more than a big country." He believes that today's world "will not be dominated by any superpower" and "there will be many power centers, each operating independently."

The above remarks by Henry Kissinger are well worth pondering over by those who advocate "the domination theory."

Southeast Asia & Pacific

Thai Prime Minister Chuan Ends Visit to PRC

Tours Hainan Industrial Estates

BK0109094593 Bangkok Radio Thailand Network in Thai 0000 GMT 1 Sep 93

[Text] Yesterday, Prime Minister Chuan Likphai and his delegation were in Hainan to tour industrial estates there. The prime minister met with the Hainan governor. According to Montri Danphabun, deputy spokesman of the Office of the Prime Minister, during the meeting the Hainan governor expressed satisfaction

at the number—87—of Thai investors who have produced products for exports, at a value of over \$[U.S.]100 million. The governor expressed hope that economic cooperation between his province and Thailand will increase further. According to Montri, the Thai prime minister expressed his thanks for the warm reception. He said Hainan has prospered and achieved rapid and systematic economic development, which is attributable to its able leader. The prime minister also asked that the governor look after Thai investors and said he expects Thai-Chinese investment to expand. That same night, the Hainan governor hosted a dinner for the prime minister and his delegation. The atmosphere at the dinner was cordial.

The prime minister then met with the accompanying Thai businessmen. Afterward, the prime minister stated that his visit to China has been successful in every way.

[Begin Chuan recording] Joint investment was discussed. I emphasized that joint investment for mutual benefit should be encouraged. Specifically, Thailand wants to see more Chinese investment in its territory. This is an important issue. Premier Li Peng agreed with this issue and said that he would pursue it.

Trade is another important issue. The volume of trade has increased steadily. But it can be seen that Thailand's trade deficit has increased every year in the last five years. The 1992 Thai trade deficit was over \$800 million. This figure is not final because the Chinese figure is different. It could be that the method of calculation is different. In any event, this issue is similar to the investment question in that it was not new and was brought up for discussion each time. However, the discussions about an increase in Chinese investment in Thailand and the request to China to consider Thailand's trade deficit and buy more Thai products were new. Premier Li Peng kindly accepted these issues for consideration.

On trade, the premier emphasized before the end of the meeting that China would continue to buy Thai rice as a favor. We understand that for some years China has had a rice surplus. The Chinese purchase of Thai rice is a favor at a time when Thailand is facing a local price problem.

Regarding other forms of cooperation, on this trip we touched on technical cooperation, such as the space issue. Thailand will not be in the business of sending satellites to space. The discussion emphasized the use of satellites. Satellite technology has advanced significantly. China is now in the business of sending satellites into space. It is expected that soon it will be able to build satellites on a commercial scale. The satellite has provided an important global communications system. It is necessary for us to follow this matter, because on 5 December Thailand—the Chinawat Company—will send the satellite Thaicom into space. Satellites will become an important issue and could create international disputes over the use of space. [end recording]

Regarding a comparison of the development of the Thai economic zones and the rapid economic growth in China, the prime minister said comparison is not possible because of the differences in the administrative systems.

On the question of his returning home sooner than scheduled, the prime minister said Deputy Prime Minister Amnuai Wirawan has been assigned to take over the last two days of his mission in China. The businessmen and Premier Li Peng have been informed of this development. The prime minister will leave tonight after the meeting with the Yunnan governor.

Leaves Haikou for Kunming 1 Sep

OW0109235293 Beijing XINHUA in English 1655
GMT 1 Sep 93

[Text] Haikou, September 1 (XINHUA)—Visiting Thai Prime Minister Chuan Likphai left here this afternoon for Kunming in southwest China.

Chuan and his party arrived here yesterday in the company of Huang Zhendong, chairman of the Chinese government's Reception Committee and minister of communications.

This morning the Thai prime minister attended a conference held by the Hainan provincial government, at which he was briefed by provincial officials of departments concerned on Hainan's investment environment, favorable policies and its foreign investment situation.

Afterwards, he and Ruan Chongwu, Hainan provincial governor, attended the signing ceremony for five cooperation projects between Thailand and Hainan.

Yesterday afternoon, Chuan and his party toured the Jinpan Industrial Development Zone and the Gangao (Hong Kong-Macao) Development Zone in the provincial capital, Haikou.

Later in the evening Governor Ruan met with the prime minister and his party to brief them on the general situation in his province.

Ruan said that Hainan is the biggest special economic zone in China, adding that up to now 84 Thai enterprises have invested in the province, with the amount of investment according to agreements reaching some 100 million U.S. dollars.

He noted that the current visit by the Thai prime minister will surely promote such cooperation and said he hoped that Thailand would cooperate with Hainan in the fields of culture, science and technology.

Chuan expressed his appreciation of Hainan's great changes and development. He said he was happy that so many Thai business people had come to invest there, and that he hoped for more opportunities for cooperation between Thailand and Hainan.

Departs Early for 'Urgent Business'

OW0109185193 Beijing XINHUA in English 1656
GMT 1 Sep 93

[Text] Kunming, September 1 (XINHUA)—Visiting Thai Prime Minister Chuan Likphai left here this evening for home by special plane.

Chuan had to cut short his visit to China because of urgent business at home.

Huang Zhendong, chairman of the Chinese Government's reception committee and minister of communications, and He Zhiqiang, governor of Yunnan Province, saw him off at the airport.

Amnuai Wirawan, Thai deputy prime minister, who was among the entourage of the prime minister, has stayed here to continue the visit.

Chuan and his party arrived here this afternoon from Haikou, capital of south China's Hainan Province. Earlier this evening, Governor He Zhiqiang met with the distinguished Thai guests and hosted a dinner in their honor.

Bangkok Return Reported

OW0109235193 Beijing XINHUA in English 1704
GMT 1 Sep 93

[Text] Bangkok, September 1 (XINHUA)—Thai Prime Minister Chuan Likphai returned here tonight from Kunming after winding up his eight-day official visit to China.

Talking to reporters at Bangkok Military Airport, Chuan said his China tour was very successful.

During the visit, he said, he and Chinese leaders, including Chinese Premier Li Peng, have exchanged views on issues of mutual concern, particularly the economic cooperation between Thailand and China.

The two sides signed three official agreements of cooperation while Thai businessmen accompanying him on the visit have signed 15 contracts of cooperation with their Chinese counterparts, Chuan said.

This was the first official visit to China by Chuan in the capacity of Thai prime minister.

Chuan: Goals of Visit Achieved

BK0109041993 Bangkok THE NATION in English
1 Sep 93 p A2

[Text] Prime Minister Chuan Likphai said last night he has attained the goal set for his visit to China and had to cut short his visit by two days because he had important jobs awaiting in Bangkok.

Chuan said he would have missed a meeting set for tomorrow with Defence Minister Gen Wichit Sukmak and Interior Minister Gen Chawalit Yongchaiyut if he had not moved up the schedule for his return.

The premier would not say what is the topic of the meeting.

There had been speculation that Chuan, who arrived in China last Wednesday for a 10-day visit, might return earlier than scheduled because of his concern about the recent attacks blamed on separatists in southern Thailand.

Chuan has not said whether his decision to cut short the China trip had anything to do with the violence.

The premier, Wichit and PM's Secretary-General Thawat Wichaidit will board a special Thai Airways International flight to Bangkok at about 8 pm (China time) today after a visit to Kunming in the southwestern province of Yunnan.

Chuan said he appreciated China's expression of its recognition of the significance of his visit, marked by his meeting with Premier Li Peng.

Qiao Shi Holds Talks With Thai Lawmakers

OW0209130593 Beijing XINHUA in English 1115
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—Chairman Qiao Shi of the National People's Congress (NPC) Standing Committee had a 30-minute discussion on Sino-Thai ties with a visiting delegation from the Thai House of Representatives here today.

Qiao said that as close neighbors, China and Thailand should have frequent exchanges.

"The NPC Standing Committee wants to forge stronger ties with the Thai Senate and the House of Representatives and share each other's experience in lawmaking and other matters," Qiao told the visitors.

Krasae Chanawong, delegation leader and chairman of the Foreign Affairs Committee of the Thai House of Representatives, responded by saying that the Thai lawmakers also want to have more contacts with their Chinese counterpart.

Earlier today, the Thai visitors, who arrived here yesterday, had talks with Zhu Liang, chairman of the NPC Foreign Affairs Committee, on joint development of the Mekong River, which flows through the two countries.

Qian Qichen Meets Thai Congressmen

OW0209130193 Beijing XINHUA in English 1201
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—Qian Qichen, Chinese vice-premier and minister of foreign affairs, met here today with a delegation from the Foreign Affairs Committee of the House of Representatives of Thailand.

Qian held a cordial talk with Krasae Chanawong, head of the delegation and chairman of the committee, on the international situation and bilateral economic cooperation.

China and Thailand had a long history of friendship, Qian said, and the exchanges of visits between the two countries' top leaders in recent years have further enhanced the mutual understanding between the two peoples.

Qian said he believed that there are bright prospects for economic cooperation between China and Thailand and other countries in Southeast Asia.

Chanawong expressed his thanks to the Chinese people for their warm and friendly welcome. China has made great progress in its economy and great changes have taken place in the country, he said, adding that this was the common impression among the delegation members.

Chanawong said he hoped to see even more achievements made in China's future economic construction.

The 14-member delegation arrived here yesterday on a seven-day goodwill visit. They are scheduled to visit Guangdong and Yunnan Provinces in southern China.

Thai Deputy Prime Minister Continues Visit

OW0209132493 Beijing XINHUA in English 1259
GMT 2 Sep 93

[Text] Kunming, September 2 (XINHUA)—Thai Deputy Prime Minister Amnuai Wirawan has stayed in southwest China's Yunnan Province to continue the Thai delegation's friendly visit, following the departure for home on urgent business of his prime minister.

Prime Minister Chuan Likphai left China yesterday.

Amnuai and his party, accompanied by Huang Zhen-dong, chairman of the Chinese Government Reception Committee and minister of communications, and He Zhiqiang, governor of Yunnan Province, drove to Luliang County today, where they visited a big hydro-electric power station and a dam there.

On the way back to this capital of the province they visited the world-famous "stone forest" and received a warm welcome from the local ethnic minority people.

Meanwhile, about 200 Chinese and Thai businessmen held talks this morning in groups and discussed further trade and economic and technological cooperation.

In the evening, the Thai guests attended a theatrical performance.

Associations Host Reception on SRV National Day

OW0109135593 Beijing XINHUA in English 1325
GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—The Chinese People's Association for Friendship with Foreign Countries and the Sino-Vietnamese Friendship Association hosted a reception here this evening to mark the 48th anniversary of Vietnam's national day.

Chen Haosu, vice-president of the Chinese Amity Association, and Vietnamese Ambassador to China Dang Nghiem Hoang attended the reception and delivered speeches.

Praising Vietnam's progress in economic construction, Chen said he hoped that the friendship between the Chinese and Vietnamese people would continue from generation to generation.

Dang said that China played an important role in supporting the Vietnamese Revolution and economic construction, adding that to develop the friendship between the two countries is in the fundamental and long-term interests of the two peoples.

Among those attending the reception were officials from China's Foreign Ministry, and ministries of foreign trade and economic cooperation, and culture, as well as Vietnamese diplomats based in Beijing.

Burma Sports Group Leaves for PRC Visit 2 Sep

OW0209101693 Beijing XINHUA in English 0834
GMT 2 Sep 93

[Text] Yangon [Rangoon], September 2 (XINHUA)—A Myanmar [Burma] sports delegation left here Thursday [2 September] for a one-week visit to China at the invitation of the Chinese State Physical Culture and Sports Commission.

The delegation, led by Ngo Cin Pau, director of the Army Sports and Physical Education Institute, will attend China's Seventh National Games which opens in Beijing on September 4 and inspect China's sports facilities.

The visit is part of a cultural exchange plan between the two countries.

East Europe

Yugoslav Foreign Minister Begins 3-Day Visit

Praises PRC Policy Prior to Visit

OW0109160593 Beijing XINHUA in English 1504
GMT 1 Sep 93

[Text] Belgrade, September 1 (XINHUA)—China's principled stand on the former Yugoslavia issue was praised

today by Yugoslav Foreign Minister Vladislav Jovanovic who said his country would continue its friendly ties with that country.

Jovanovic was speaking to XINHUA reporters before his upcoming visit to China from September 2 to 4.

He expressed thanks to China for its understanding of and support for Yugoslavia in the United Nations, which, he stressed, would still be needed in the future.

Hoping that his visit would strengthen the political contacts between the two countries, Jovanovic said that he would explore with the Chinese leaders possibilities of overall cooperation with or without the sanctions against Yugoslavia.

On the Bosnian conflict, the foreign minister showed prudent optimism towards a peaceful settlement, saying the new Geneva peace plan could, and should, be implemented, the failure of which, he warned, would lead to a greater tragedy.

He said that the Yugoslavian people were suffering from unfair punishment from the international sanctions,

which were cutting production, blocking imports and exports and putting more and more people out of work.

He said that the Federal Republic of Yugoslavia had actively contributed to the restoration of peace in Bosnia-Herzegovina, showing that it was not an invader but a partner in settling the crisis.

With the smooth progress of the Geneva talks and a hopeful peace in Bosnia, he urged the international community to immediately end the sanctions against Yugoslavia or the blockade against the imports of some humanitarian goods.

Arrives in Beijing 2 Sep

*OW0209093393 Beijing XINHUA in English 0751
GMT 2 Sep 93*

[Text] Beijing, September 2 (XINHUA)—Vladislav Jovanovic, foreign minister of the Federal Republic of Yugoslavia, and his party arrived in Beijing today on a visit to China.

Jovanovic is here as guest of Chinese Vice-Premier and Foreign Minister Qian Qichen.

Political & Social

Continuing Reports, Comment on Case of Han Dongfang

HK Government Accused of 'Interfering'

HK0109143693 Hong Kong Asia Television Limited in English 1200 GMT 1 Sep 93

[From the "Main News" program; Zhang Junsheng speaks in Mandarin throughout]

[Text] The NEW CHINA NEWS AGENCY [NCNA—XINHUA] has accused the Hong Kong Government of meddling in Chinese internal affairs by commenting on the case of labor activist Han Dongfang. NCNA deputy director Zhang Junsheng says Hong Kong officials have no right to make remarks on the issue. Yuen Chan reports:

[Begin recording] [Yuen] Mr. Zhang says the Hong Kong Government should not be commenting on the issue and has accused officials of misleading the public and interfering in Chinese internal affairs by expressing their opinions on the case of Mr. Han.

[Zhang] Shortly after the incident broke out, British Hong Kong officials rushed to comment and make known their positions on the issue. I do not think this is right. What right do you British Hong Kong officials have to comment on something that is China's internal affair?

[Yuen] He says Mr. Han has violated Chinese laws and ruled out any comparison with the position of Hong Kong citizens after 1997.

[Zhang] Mainland affairs will be handled according to mainland law, and Hong Kong affairs will be handled according to Hong Kong law. These two matters are entirely different. Why should they be lumped together?

[Yuen] Meanwhile, Executive Councillor Edward Chen has defended the Hong Kong Government's actions.

[Chen] Hong Kong is not exactly interfering without cause, because now it's a problem that faces Hong Kong, because Han is now in Hong Kong without permission to return to China.

[Yuen] He says China must accept Hong Kong has a part to play in resolving the matter. [end recording]

HK Official's Remarks Disputed

HK0209100193 Hong Kong HSIN WAN PAO in Chinese 2 Sep 93 p 4

[Report: "Lu Ping Refutes David Ford's Statement"]

[Text] While talking about the Han Dongfang incident this morning in Beijing, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, stressed

that there is no need for the Hong Kong people to worry about their freedom of entry and exit after 1997.

Lu Ping also pointed out that the statement made by Secretary David Ford of the Hong Kong Government a few days ago that the case of Han Dongfang being blocked from entering China had created anxiety about the Hong Kong people's future freedom of entry and exit was irresponsible. The Basic Law has clearly stipulated that the Hong Kong people have the freedom of entry and exit. Moreover, the interior and Hong Kong will have different laws under the one country, two systems concept. The Special Administrative Region [SAR] Government in the future will strictly follow the Basic Law. There is absolutely no need to worry.

Lu guaranteed that there would be greater freedom of entry and exit in the future than at present.

Lu Ping said: "The statement made by Ford, who clearly knows the Basic Law's provisions on the issue, is irresponsible. I can guarantee that the compatriots will enjoy greater freedom of entry and exit in the future than at present."

A reporter said: Some people are worried whether the reentry of Szeto Wah and Martin Lee will be rejected when they leave Hong Kong in the future. Lu Ping replied: "This will not happen, because the relevant departments will act according to the law."

In response to Lu Ping's remarks this morning, a Hong Kong Government spokesman said this morning that Secretary Ford's statement on Han Dongfang's stay in Hong Kong reflected the concern of various Hong Kong circles about the incident.

Foreigners Warned Not To 'Meddle'

HK0209063093 Hong Kong WEN WEI PO in Chinese 2 Sep 93 p 12

[Unattributed report: "Zhang Junsheng Says Foreigners and British Hong Kong Officials Have No Right To Meddle in China's Internal Affairs"]

[Text] While participating in the National Day celebration preparatory activities in the Eastern Kowloon District yesterday, Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong Branch, pointed out: The issue concerning Han Dongfang has been clearly explained by the Chinese Ministry of Public Security spokesman. The areas of law violated by Han Dongfang, and the stipulations of the law under which the case was handled, have all been clarified. The handling of this event entirely belongs to China's internal affairs and foreign officials, including those of the British Hong Kong authorities, have no right to meddle in it.

Zhang Junsheng said: "I am surprised that some foreigners have not the slightest interest in our endeavors to develop the economy and enhance the living standards of the 1.1 billion people but they are extremely concerned about a few people who have violated the law!"

What does all this mean?" Zhang Junsheng indicated that the Han Dongfang incident and the issue of the Hong Kong people's freedom to enter and leave the territory after 1997 are two completely different things. He said: "In future, affairs in Hong Kong will be handled according to Hong Kong's law, while those in mainland China will be handled according to China's law, which will be totally different. With regard to this issue, first, we should not presume that everybody will violate the law like Han Dongfang; second, given somebody violating the law, the violator belonging to mainland China or to Hong Kong will be handled in accordance with Chinese law or Hong Kong law respectively."

As regards the behavior of some Hong Kong Government officials toward the Han Dongfang incident, Zhang Junsheng felt that these officials had purposely misled the Hong Kong people. Zhang said: "I note that at the very outset of the incident, a few Hong Kong Government officials came out hastily to make comments and express their stand. We do not think that they should have done so. This matter entirely belongs to China's internal affairs and was handled by pertinent Chinese departments in accordance with the law. Hence, no foreign countries should have a hand in the affair and nor should the British Hong Kong officials. What right do the British and Hong Kong officials have to talk about China's internal affairs?"

He said: "Someone has linked the Han Dongfang incident with Hong Kong residents' freedom to enter and leave the territory after 1997. This is random shooting as well as being ridiculous. Since Han Dongfang is a Chinese citizen, he should observe China's law. After 1997, the great majority of the Hong Kong people will, of course, be Chinese citizens. In the future, however, the law of the Special Administrative Region will be practiced in Hong Kong. What is one country and two systems? Why does Hong Kong have the Basic Law? These things are as clear as crystal! Why should they be mixed up? This is why I think foreign officials should not raise a clamor over this issue!"

As to whether or not the Han Dongfang incident will affect China's bid to host the Olympic Games, Zhang Junsheng pointed out that they are two matters with nothing in common. He said: "The event concerning Han Dongfang has been clearly explained by the Chinese Ministry of Public Security spokesman and Beijing's application for hosting the Olympic Games is a matter to be decided by the International Olympic Committee some time in the future. These two irrelevant things should not be put together."

When asked by a reporter whether he was worried about foreigners taking advantage of the Han Dongfang incident to obstruct Beijing's intention to host the Olympic Games, Zhang Junsheng said: "I believe that the International Olympic Committee will make judgment according to its intuitive knowledge. Of course, some people wanted to use this incident to kick up a fuss as you have noted and the U.S. Congress made a decision to

politicize the Olympic Games. These are activities of a completely nonpolitical character and are unjustified."

Commentary Views 'Hidden Motives'

HK0209112893 Hong Kong WEN WEI PO in Chinese
2 Sep 93 p 12

["Special commentary" by Cheng Han (4453 2498):
"Acting With a Hidden Motive and Bringing Trouble on Oneself"]

[Text] The recent farce over the "Han Dongfang" case has truly been strange, unusual, and noisy. Following the development of this event and the exposure of the truth, the role of some Americans and the Hong Kong Alliance in Support of the Patriotic and Democratic Movement in China is becoming clearer.

Previously Han Dongfang was not a conspicuous figure. With the approval of the relevant Chinese department, he went abroad for medical treatment in September last year, promising not to conduct activities which violate the state constitution or harm the country's interests when staying overseas. After leaving the country, however, Han, manipulated by some organizations overseas, actively conducted activities against the Chinese Government which harmed national interests, thus violating China's national security law and the relevant provisions of the law on civilian exit and entry controls. The mainland public security department's revocation of his passport was entirely a matter of course. This is a sovereign country's internal affair and has absolutely nothing to do with the United States or the British Hong Kong authorities. It is all the more unrelated to the Hong Kong people's exit and entry rights after 1997.

But some people intentionally want to stir up trouble, mix two entirely different matters, glorify the law breaker, create horrible news to baffle people, and sow dissension between the Hong Kong people and the Chinese Government.

Let us take a look at some Americans' performance. While visiting Hong Kong, U.S. congressman Porter said that some Hong Kong legislative councillors suggested to him that the U.S. Government should seek consultations with China on the issue of the Hong Kong people's exit and entry rights after 1997. On the other hand, a U.S. Government spokesman attacked China by saying that it had violated Article 13 of the International Convention on Human Rights and asserted that, "when considering China's most favored nation [MFN] status next year, this case will be very cautiously appraised and listed in a report submitted by the secretary of state." People cannot help but ask: Why are these Americans so interested in Han Dongfang? Are they really concerned about human rights and the Hong Kong people's interests? Obviously, the answer is negative. As everyone is aware, recently the United States has stirred up lots of trouble in order to bully China; we can cite many instances. For example, it brazenly violated three documents, including the Sino-U.S. Joint Communiqué, in selling F-16 fighter

planes to Taiwan. As the world's best-supplied country in terms of munitions, it sent a naval vessel to the high seas to inspect China's "Yinhe" commercial ship in disregard of international norms. It has blatantly accused China of selling missiles to Pakistan, and, regardless of China's and Pakistan's explanations, it has interfered in their normal economic and technological exchanges by applying its domestic laws, announcing unreasonable economic sanctions against China. Needless to say, it uses a double standard on the boat people issue. It has unilaterally formulated the "U.S.-Hong Kong Policy Bill," and it is using a House bill to brutally interfere in the International Olympic Committee's consideration of China's 2000 Olympic Games bid. The current farce over Han Dongfang cannot be separated from certain Americans' overall plans and behavior. As arranged by certain Americans, Han Dongfang attended an international human rights conference as a "Chinese civilian representative" and gave a speech attacking China. He took part in an international labor organization's meeting as a representative of the illegal Chinese free trade union. He suggested to U.S. President Clinton that the formation of a free trade union be taken as a condition for renewing China's MFN status. This Han Dongfang, regarded as "China's Walesa," has truly become a tool manipulated by anti-Chinese personalities in the West.

Perhaps some people will ask why the United States is always finding fault with China. Many people say that this is because the United States does not want to see China's development or prosperity. They have reason to say this. A deeper analysis makes us understand, however, that the United States is performing a sword dance to cover for its hidden motives; it is harming others for its own benefit. As the Soviet Union has fallen apart, only one superpower remains, the United States. To preserve its hegemonic position, it must try every possible means to stop others from making progress and becoming strong. In the world today, the Asia-Pacific region has the richest potential for development. China, in particular, has a large population, a broad market, and the most optimistic development prospects. Therefore, in the eyes of some Americans, as long as they can make a mess of China or hold it back, they can subjugate all developing countries under their power. In this sense, when the United States deliberately presses China for change and shows extraordinary "concern" for Hong Kong and the revocation of Han Dongfang's passport because he has violated the law, the United States is pointing its spear at China, including Hong Kong, and at the developing countries as well. A small number of people in Hong Kong have praised the United States, saying that it is doing this with "good intentions." What will these "good intentions" bring about? A review of the Persian Gulf region and the Balkan Peninsula will provide an explicit answer: There is no prosperity or stability there; there are only refugees and racially motivated revenge killings.

Some people dream of using foreign forces for their benefit, however, and some others, in seeking patronage,

even invite a wolf into the fold. The leaders of the Hong Kong Alliance in Support of the Patriotic and Democratic Movement in China are such people. They always follow the will of their foreign boss in opposing and resisting China, and they demand a change in China and sanctions against China. From the beginning of this event, this alliance has allied itself with Han Dongfang. Lau Tsin-shek [one of the alliance leaders] and others have covertly and overtly kept Han Dongfang company and masterminded schemes for him. They held a special "emergency meeting" to discuss their strategy and also organized some people to protest and demonstrate in front of XINHUA SHE, to submit a petition, and to hold a sit-in and a "hunger strike." Of course, being aware of their limited capacity, they can only rely on flirting with some Americans, using a tiger skin as a great banner to intimidate people. Contrary to their expectations, this has further exposed their true colors.

The farce on the "Han Dongfang case" is not over; some Americans are "performing a sword dance with hidden motives"; and the Hong Kong Alliance in Support of the Patriotic and Democratic Movement in China is "inviting a wolf into the fold." They have different roles to play but are collaborating tacitly. People should see through this clearly.

Reportage on Seventh National Women's Congress

Jiang Zemin, Others Attend Opening

OW0109135893 Beijing XINHUA in English 1338
GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—The Seventh National Women's Congress opened in Beijing today, with about 1,180 women's representatives from all over the country attending the opening ceremony.

The six-day conference will sum up the basic experiences of work for Chinese women during the past 15 years, spell out guidelines and tasks for the women's movement and elect new leaders of the All-China Women's Federation (ACWF).

A score of Chinese leaders, including Jiang Zemin, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao, attended the opening ceremony, an indication of top concern about women's affairs.

Hu Jintao, member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, delivered a congratulatory speech on behalf of the CPC Central Committee.

He paid high tribute to Chinese women for their outstanding contributions to the country's economic, scientific and cultural development.

In a work report delivered at the congress, Huang Qizao, ACWF vice-chairperson, put forward the main tasks for women movements in the next five years.

She said China will further mobilize women to learn more and actively take part in the country's reform, opening to the outside world and economic construction.

The country will also fully adopt legal means to protect the interests of women, which account for half of China's population, she said.

Huang called on Chinese women to work for the country's reunification, help promote world peace and development, and make preparations for the fourth world women's conference to be held in Beijing in 1995.

In her report, Huang set the main targets for women's development in the years up to the end of this century. They include further boosting women's social status and rights; promoting the progress of women; increasing the number of women in the government's decision-making organs and scientific institutions; forbidding arranged and mercenary marriages and bigamy; cracking down on activities menacing women's interests; and clamping down on the abduction and sale of women.

Before the opening ceremony Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao met with delegates to the congress and took a group photo with them.

Hu Jintao Addresses Session

OW0209082493 Beijing XINHUA Domestic Service in Chinese 1231 GMT 1 Sep 93

[Text] Beijing, 1 Sep (XINHUA)—Shouldering a great historic mission and the trust of Chinese women, the Seventh National Women's Congress of China opened ceremoniously in the Great Hall of the People today.

Before the opening ceremony Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, Ding Guangen, Li Lanqing, Li Tieying, Yang Baibing, Zou Jiahua, Qian Qichen, Wei Jianxing, Wen Jiabao, Ren Jianxin, and other leading comrades met with delegates to the congress. Then they attended the meeting and warmly greeted its opening.

Chen Muhua, president of the All-China Women's Federation, announced the opening of the congress at 1530 hours, after which a band played the "National Anthem of the People's Republic of China."

Chen Muhua presided over the opening session of the congress. She said: The major tasks of the Seventh National Women's Congress of China are to work under both the guidelines of the 14th CPC National Congress and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; to sum up the basic experience of the women's movement in our country over the 15 years since the start of reform and opening up; to clarify the principles and tasks of the women's movement in the new historical period; and to mobilize women of all nationalities in all circles across the country to further emancipate their minds, improve themselves, actively participate in reform, opening up,

and modernization, and strive to make new contributions and win even greater victories in building socialism with Chinese characteristics.

At the beginning of the meeting, the participants stood for one minute in silent tribute to recall the historic and outstanding contributions made by Cai Chang, Deng Yingchao and Kang Keqing, great proletarian revolutionaries and women's movement leaders of the older generation who passed away since the Sixth Women's Congress.

Some Beijing children presented flowers and extended their greetings to the congress amid cheerful music and drums.

Hu Jintao, member of the Political Bureau Standing Committee and the Secretariat of the CPC Central Committee, delivered a congratulatory speech on behalf of the CPC Central Committee. In his speech, Hu Jintao spoke highly of the achievement of our country's women's movement over the 15 years since the start of reform and opening up. He said: The broad masses of women, working under the CPC leadership and holding aloft the banner of building socialism with Chinese characteristics, have actively participated in reform, opening up, and modernization with unprecedented enthusiasm and have made great contributions to promoting economic development and all around social progress. Contemporary Chinese women deserve the description of "holding up half the sky" in reform, opening up, and modernization, and as a great force promoting social and historic progress.

Hu Jintao added: Undertaking the building of socialism with Chinese characteristics under the CPC leadership represents in a concentrated way the fundamental interests of the people of all nationalities across the country, including the broad masses of women. The only way for the Chinese women's movement of our time to progress is to mobilize and organize the broad masses of women to participate actively in reform, opening up, and modernization and further liberate themselves during the course of achieving economic development and social progress. The building of socialism with Chinese characteristics cannot be done without the comprehensive participation and conscientious hard work of women who account for one half of our country's population. Only when the socialist enthusiasm of the vast number of women is aroused to the maximum extent, pooled, and brought into play, can our cause be successful.

Hu Jintao stated: In building socialism with Chinese characteristics, we have a splendid goal; our historic task is glorious and yet arduous. Chinese women should clearly know their mission and responsibility, unite closely around the party, fully use their wisdom and talents, and join other people across the country in continuing to push our great cause forward. He urged the broad masses of women to display a pioneering spirit and play the role of "holding up half the sky" during the course of liberating and developing productive forces.

He said: The establishment and improvement of a socialist market economy will provide a good opportunity and a huge arena for China's women to use their wisdom and talents. The broad masses of women should further emancipate their minds; persistently seek truth from facts; free themselves from the shackles of such backward, traditional ideas as sticking to old ways; foster the thinking and ideas which suit our time and particularly the socialist market economy; display a daring pioneering spirit of active exploration and bold practice; and constantly make new contributions to further liberating and developing productive forces.

Hu Jintao pointed out that the vast number of women are builders of socialist material civilization, as well as an important force promoting the progress of socialist spiritual civilization. He said: The broad masses of women should play a special role in building socialist spiritual civilization, display patriotism and collectivism, firm their socialist faith, and enhance national dignity and pride. In the light of reality, all women should actively participate in cultural development in their community, village, town, enterprise, campus, or family; make great efforts to publicize socialist morality and practices; carry forward Chinese women's traditional virtues of diligence, frugality, devotion, respect for the elderly, and cherishing the young; and advocate a healthy, scientific, and appropriate lifestyle. They should conscientiously resist the corruption by mammonism, hedonism, extreme egoism; wage a resolute struggle against negative, corrupt, and evil phenomena; and strive to improve the standards of conduct in their families and among the public.

Hu Jintao emphasized: It is a strategic task of China's women's movement to improve the overall quality of women. The quality of women has a bearing not only on the women's own progress and the enhancement of their status, but also on the improvement of the overall quality of the Chinese nation and on the progress of reform and economic construction. The broad masses of women should have a keen sense of historic responsibility and a sense of urgency and strive to improve their own ideological and moral quality and scientific and general knowledge.

Hu Jintao fully affirmed the work of the Women's Federation since the Third Plenary Session of the 11th CPC Central Committee. He called on the party committees and governments at all levels to attach importance to woman-related work, strengthen and improve party leadership over woman-related work, and support the women's federation in working independently and creatively according to the law and its own charter. He urged society to show concern for women's undertakings, promote the progress of women, and facilitate a continued sound development of the women's movement.

Li Keqiang, first secretary of the Communist Youth League [CYL] Central Committee, and Zhou Ziyu, deputy director of the General Political Department,

spoke on behalf of the All-China Federation of Trade Unions, the CYL Central Committee, the China Science and Technology Association, the China Federation of Literary and Art Circles, The All-China Overseas Chinese Federation, the All-China Federation of Taiwan Compatriots, the All-China Federation for the Disabled, all commanders and fighters of the People's Liberation Army, and all officers and men of the armed police force. They extended their warm greetings to the congress and their cordial regards to the vast number of women on all fronts.

Entrusted by the sixth executive committee of the All-China Women's Federation, Huang Qizao, vice president of the Federation and first secretary of the Federation's Secretariat, delivered a report, entitled: "Women Across the Country Get United and Work Hard To Build a Socialism With Chinese Characteristics." Her report consists of four parts—new developments of China's women's movement since the start of reform and opening up, basic experience of socialist women's movement with Chinese characteristics, the glorious mission of China's women's movement in the nineties, and paying more attention to the reform and building of the women's federation.

Huang Qizao pointed out that the 20th century's nineties is a very crucial period for the development of the women's movement. She summed up 10 objectives of the development of women in the nineties, based on development plans for women- and children-related undertakings of the party, government, and departments concerned. He pointed out: The principle for our women's movement in the new historical period is to work under the guidance of the theory on building socialism with Chinese characteristics; uphold the party's basic line; widely mobilize women to participate in reform, opening up, and socialist modernization; make efforts to improve the quality of women; protect their rights and interests according to the law; comprehensively enhance their status; and take action to seek equality and development of women. The major tasks in the next five years based on this principle are to mobilize women to participate actively in reform, opening up, and socialist modernization; make great efforts to promote the building of socialist spiritual civilization, as well as the establishment of democracy and the legal system; educate women to continue displaying the spirit of "four have's" [having lofty ideals, moral integrity, education, and a sense of discipline] and "four self-reliances" to improve themselves; promote the comprehensive implementation of the "Women's Rights and Interests Protection Law" to step up the work of protecting women's rights; do good children-related work and promote the healthy growth of children; and contribute more to promoting the motherland's reunification, world peace and development, and the successful convocation of the fourth world women's conference.

Also present at the meeting were Ni Zhifu, Lei Jieqiong, Li Guixian, Ismail Amat, Peng Peiyun, Ye Xuanping, Wang Zhaoguo, Ngapoi Ngawang Jigme, and He Sheng.

Women Urged To Play 'Greater Role'

HK0209030093 Beijing CHINA DAILY in English 2
Sep 93 p 1

[Report by staff reporter Ma Zhiping: "Women Are Asked To Play Much Greater Role"]

[Text] A high-ranking Party leader has urged women to play a greater role in China's economic reforms and social development.

The remarks were made in Beijing yesterday at the opening ceremony of the 7th Chinese Women's Congress.

The contributions made by women to the country's modernization drive in the past 15 years were praised by Hu Jintao, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee.

He urged women to continue to participate in the country's modernization drive.

He said women should understand their responsibilities and commitments to the country's opening and reform process.

Women face great opportunities to bring their wisdom into full play as the country advances towards a socialist market economy.

But this cannot be achieved without the full involvement of women, Hu noted.

"To seek for further liberation for women through economic development and social progress is the only way for the progress and development of China's women movement," Hu said.

President Jiang Zemin and other senior Party and State leaders including Qiao Shi, Li Ruihuan and Zhu Rongji attended the opening ceremony of the women's congress, held every five years.

Attending the congress are 1,180 representatives.

"The Chinese Communist Party has always attached importance to women's position and role and has shown great concern for women's development," said Hu.

He added that the government has issued a large number of laws and regulations to safeguard women's rights and interests.

However, restricted by economic cultural and ideological factors, long-term efforts have to be made to make things really equal between women and men in China, he said.

"It is one of the strategic tasks of the women's movement to improve women's general equality in China," said Hu.

"Women's equality is closely related to their personal progress and the improvement of their social status.

Their equality is also related to the advance of the Chinese people as a nation and the speed of the country's on-going reform and construction," Hu stressed.

He said Chinese women should further emancipate their minds, break the bondage of traditional and outdated concepts and try to assume a greater role in economic and social life with greater political equality and professional skills.

Huang Qizao, Vice-Chairman of the All-China Women's Federation, said in the last decade of this century the women's movement in China will focus on the following: Promotion of public awareness about women's rights and interests, the training of various women personnel, women's employment rate, community service, improving women's living conditions in poverty-stricken areas, popularizing women's sanitation knowledge and improving health care for women and children.

Before the opening ceremony, Jiang Zemin, Li Peng, add other leaders met with delegates to the congress.

Li Peng, Others Pose for Group Photo

OW0109132593

[Editorial Report] Beijing Central Television Program One Network in Mandarin, in its "National News Hookup" program at 1100 GMT on 1 September, transmits a 3-minute video report on the opening of the National Women's Congress at the Great Hall of the People at 1530 [0730 GMT] on 1 September.

After showing the representatives entering the hall and some pan shots of the seated representatives in the hall, video shows Jiang Zemin, Li Ruihuan, and Qiao Shi receiving bouquets from young girls, and brief shots of Chen Muhua and Hu Jintao making speeches.

While the announcer reports on Hu Jintao's remarks, video shows medium close-up shots, from right to left, of Ding Guangen, Li Tieying, Zou Jiahua, Wei Jianxing, Ren Jianxin, and Lei Jieqiong, and then, from right to left, shots of Li Lanqing, Yang Baibing, Qian Qichen, Wen Jiabao, and Ni Zhifu.

Video then cuts to show medium close-ups of Jiang Zemin, followed by Li Peng, Qiao Shi, Li Ruihuan, and Chen Muhua, entering a hall to have a group photograph taken with the women's representatives. Li Peng shows no signs of weakness or illness as he is seen walking into the hall, smiling and waving enthusiastically to the representatives.

The video ends with shots of a group photograph. Jiang Zemin is seen sitting on the front row with Qiao Shi, Zhu Rongji, and Hu Jintao sitting on his right; and Li Peng, Li Ruihuan, and Liu Huaqing sitting on his left.

Li Peng's Appearance Described

OW0109190193 Beijing XINHUA Domestic Service in Chinese 1344 GMT 1 Sep 93

["Feature" by unidentified XINHUA reporter: "Tomorrow Will Be Even Better—Sidelights on Jiang Zemin and Others Meeting Delegates to 'Seventh Congress' of Chinese Women"]

[Text] Beijing, 1 Sep (XINHUA)—Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, and others were walking across the red carpet....

The banquet hall at the Great Hall of the People was abuzz.

At 1500 [0700 GMT] on 1 September 1993, more than 1,100 delegates to the Seventh National Congress of Chinese Women greeted this long-awaited moment.

Women delegates wearing dresses of assorted colors vied with each other to shake hands with the leading comrades. General Secretary Jiang Zemin was extraordinarily happy as he shook hands with the delegates and said: "Congratulations! I wish the congress success!" Premier Li Peng, in a cream-colored Western business suit, walked with vigorous strides toward the delegates and said loudly: "I wish you even greater success!"

Rousing applause rang incessantly throughout the banquet hall....

It was the first time that delegate Siqin Gaowa, a member of an Inner Mongolian minority theatrical troupe from the vast grasslands, had come to Beijing and entered the Great Hall of the People. She expressed her mood in the Mongolian language, saying: "I am very excited about attending a grand meeting like this. I am attending this congress on behalf of herders, and I will soundly exercise my right as a delegate."

Just a few days ago, Buluo, a Tibetan female worker, had been living on the peak of Tanggula Shan, at more than 5,000 meters above sea level. She was exceptionally excited. Having worked for over 20 years for the Qinghai-Tibet Highway's maintenance squad, she had developed an indissoluble bond with highways. Except on television, she had never before seen Beijing and the Great Hall of the People. She said: "We should make this congress a success and fulfill our representative functions."

Yayi, a 19-year-old girl of the Lhoba nationality sitting close to Buluo, had traveled by car for three days just for the trip from her hometown to Lhasa. She said: "I am very honored to be attending this women's congress as the first female delegate of the Lhoba nationality. My forebears of the past several generations did not even dare entertain the thought of doing what I am doing now."

Virtually all the delegates held similar sentiments. This remark by delegate Wang Xiufen expressed the wishes of

her fellow delegates: "If today is successful, I am convinced that tomorrow will be even better."

Report Views Government Emphasis on Women's Issues

HK0209110293 Beijing RENMIN RIBAO in Chinese 23 Aug 93 p 1

[Report by Sun Guoying (1327 0948 5391): "Party and State Attach Importance to Work on Women"]

[Text] Over the last few years, following the strategic ideological guidance of the party Central Committee and State Council, which called for giving women a role in reform and economic development, the party committees, people's congresses, governments, Chinese People's Political Consultative Conferences, and relevant departments at all levels have paid close attention to women's problems and have supported work on women's issues, thus constantly optimizing the social conditions for the women's movement.

The "Circular on Strengthening and Improving Party Leadership Over the Work of the Trade Unions, Communist Youth Leagues, and Women's Federations" issued by the party Central Committee in late 1989 is a programmatic document for doing a good job on Women's Federations' work in the new period. At the rally marking the 80th anniversary of the International Working Women's Day held in Beijing in 1990, CPC General Secretary Comrade Jiang Zemin made an important speech entitled "The Entire Party Membership and All Social Sectors Must Acquire a Marxist Outlook on Women," providing a theoretical weapon for approaching, analyzing, studying, and settling women's problems. Under the guidance of the gist of the circular and speech, party committees at all levels have given a greater priority to women's problems and have earnestly strengthened and improved their leadership over the work of women's federations.

In February 1990, the State Council set up the Coordination Committee for Women and Children's Work, which was recently renamed the Committee for Women and Children's Work, to see to it that the concerned government departments safeguard the rights and interests of women and children and develop undertakings for them. The NPC Internal and Judicial Affairs Committee set up the Panel for Women and Children; the CPPCC National Committee set up the Women and Youth Committee; and governments, the people's congresses, and the CPPCC's in some provinces, autonomous regions, and municipalities also set up corresponding organs, forming an initial leadership structure for investigating, studying, and solving women's problems in a coordinated way. With the cooperation of these organs, we have made progress in ensuring that high-ranking female intellectuals retire at the same age as their male counterparts, that specialized middle schools apply the same admission standards to girl students as they do to boy students, that enterprises distribute houses to

male and female workers without discrimination, and that law-enforcement authorities crack down on criminals who abduct and sell women and children and those engaged in prostitution as they work to improve all facets of public security. The party, government, and military departments concerned as well as the mass organizations at all levels have also vigorously supported undertakings for women and children as part of their own responsibilities.

The "Law of the People's Republic of China on Protecting Women's Rights and Interests" adopted by the Fifth Session of the Seventh NPC in 1992 comprehensively and specifically defines women's rights and interests in such areas as education, labor, assets, personal freedom, marriage, and family. It is an important legal weapon for bringing about equality for men and women. In the last 10 months since the law came into force, initial achievements have been made in cracking down on criminal activities that infringe upon women's rights and interests, in enhancing women's legal awareness and their ability to protect themselves, and in arousing public attention toward protecting women's rights and interests. Not long ago, the NPC Internal and Judicial Affairs Committee and the State Council's Commission for Women and Children's Work jointly called a forum on promoting enforcement of the "law on protecting women's rights and interests." The forum decided that all provinces should set up as soon as possible supervisory organs to monitor enforcement of the law and formulate detailed rules and regulations for enforcing the law in light of their actual conditions.

The party and government have made training women cadres a priority so that women will participate in state, social and political affairs to ever higher degrees. The CPC Central Committee Organization Department and the All-China Women's Federation have jointly called two forums on training women cadres to set specific objectives in this respect. At present, women have been promoted to leadership positions in 25 provinces (autonomous regions, and municipalities), 237 prefectures (cities, districts, autonomous prefectures, and leagues), and 2,037 counties (county towns, districts, and banners).

XINHUA on 'Increasingly Important Role' of Women

OW3108131293 Beijing XINHUA in English 0936 GMT 31 Aug 93

[Text] Beijing, August 31 (XINHUA)—Chinese women, who account for half of the country's total population, are playing an increasingly important role in the country's political affairs and economic construction.

Statistics from the All-China Women's Federation (ACWF) show that so far women have assumed leading positions in the governments of 24 provinces, 247 cities or prefectures and 2,106 counties in the country.

According to the statistics, some 626 women have been elected deputies to the 8th National People's Congress, which is 21 percent of the total number of deputies at the national top legislative body.

Meanwhile, some 283 women have been elected members of the 8th National Committee of the Chinese People's Political Consultative Conference.

By 1992 China had more than 150 female state-level experts and 26 women academicians of the Chinese Academy of Sciences. It now has 174,000 highly-qualified and well-trained women scientists and technicians.

In addition, China now has more than 21,000 women judges and 4,100 women lawyers. It also has over 1,200 women diplomats and 10 female generals.

By 1992 the number of Chinese women workers and staff members had grown to 56 million, which is 38 percent of the total number of workers and staff members in the country.

From 1989, 120 million rural women in China have engaged in the national programs of "literacy, technology and competition for achievements", among whom 90 million have received various kinds of technological training.

During the 1978-1992 period, some 570 women were awarded the honorable title of "national model worker" and more than 20,100 received the title "national March 8 red banner winner".

To date, China has set up 28 women cadres' colleges and 24 women's professional schools.

The ACWF has established contact with women's organizations in more than 130 countries and regions in the world. Over 200 cooperative projects were implemented during the past five years.

Reportage on NPC Standing Committee Session

Qiao Shi Attends Session

OW0209021493 Beijing XINHUA Domestic Service in Chinese 0858 GMT 31 Aug 93

[Text] Beijing, 31 Aug (XINHUA)—The Third Meeting of the Eighth National People's Congress [NPC] Standing Committee held its third plenary session at the Great Hall of the People this morning.

Chairman Qiao Shi attended the meeting, which was chaired by Vice Chairman Qin Jiwei.

At today's meeting entrusted by the State Council, Chen Jinhua, minister in charge of the State Planning Commission, delivered a report on implementation of the program for national economic and social development since the beginning of the year; Minister of Justice Xiao Yang conducted a briefing on implementation of the second five-year plan for enhancing people's awareness

of laws. Meng Liankun, chairman of the Credentials Committee, made a report on examination of credentials of deputies elected through elections and by-elections.

Today's meeting also deliberated written reports on Chairman Qiao Shi's visit to five member states of the Association of Southeast Asian Nations, Vice Chairman Chen Muhua's visit to four Latin American countries, and Vice Chairman Tomur Dawamat's visit to five Central Asian countries.

Also present at the meeting were Vice Chairmen Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Wang Guangying, Cheng Siyuan, Buhe, Tomur Dawamat, and Li Peiyao.

State Councillor Ismail Amat; Gao Changli, vice president of the Supreme People's Court; and Liang Guoqing, deputy procurator general of the Supreme People's Procuratorate, attended the meeting as observers.

Two Draft Laws Revised

OW0109145193 Beijing XINHUA in English 1414
GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—Chinese legislators revised the Draft Economic Contract Law and the Draft Anti-Unethical Competition Law here today after summing up views and suggestions of standing committee members and experts.

According to Xue Ju, head of the Law Committee under the Standing Committee, the revised Draft Law on Economic Contracts stipulated in the first clause that all economic contracts should be conducted on the basis of equality and mutual benefit and through consultation by both sides. On no account should anyone or any unit intervene in contract formation through illegal means.

As for the state's mandatory production plans, the 11th clause of the revised law stipulates that the concerned enterprises should sign contracts with the state in light of the rights and obligations set out in the concerned laws and administrative regulations.

On revision of the Anti-Unethical Competition Law, the Standing Committee members suggested that the law should not only protect enterprises but should also take into consideration the lawful interests of consumers.

The fourth clause of the revised law says that on no account should government employees support or cover up acts of unethical competition.

Under the revised law, the government and its subordinate institutions are strictly forbidden to abuse their powers to force people to buy their products or intervene in the managerial operations of enterprises.

As for checking bribery, the revised law stipulates that enterprises must not resort to any form of bribery to boost sales of their products or to purchase the commodities they need.

Xue said that many other revisions have also been made in the draft law, concerning ad management and lotteries.

Qiao Shi Chairs Closing Meeting

OW0209132993 Beijing XINHUA in English 1315
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—The Third Session of the Standing Committee of the Eighth National People's Congress [NPC] closed here today.

At the meeting two important economic laws—the Draft Economic Contract Law and the Anti-Unethical Competition Law—were passed.

Chairman of the NPC Standing Committee Qiao Shi chaired today's meeting and made a speech on anti-corruption.

Qiao said the implementation of the anti-corruption drive must strictly abide by the existing laws and regulations, and no law-breaking privilege is permitted for any organization or individual.

He said the NPC and its Standing Committee should reinforce their examination and supervision of the implementation of laws, and make great efforts to improve their implementation.

He said the anti-corruption drive should be brought under the supervision of the legal system. The drafting of laws should be reinforced, and the laws rigorously enforced.

Today's meeting passed the Anti-Unethical Competition Law, the decision on revising the Economic Contract Law, and some other regulations on reinforcing the examination and supervision of the implementation of laws.

In his speech Qiao said the decision on revising the economic contract law passed at the meeting is based on China's experience of more than 10 years and draws on some foreign practices. It makes some essential revisions to the former regulations, making the law more beneficial for protecting the rights and interests of litigants, defending the social economic order and suiting the demands of the development of a socialist market economy.

He said the Anti-Unethical Competition Law is an important law for standardizing market practices and protecting fair market competition; it also helps the current anti-corruption drive.

He said the draft laws discussed at this meeting, including the securities law, the law on protecting consumers' rights and interests, the law on registration of accountants and the law on individual income taxes, will be revised and issued as soon as possible.

Vice-Premier Li Lanqing was also present at today's meeting.

Views Anticorruption Legislation*OW0209153193 Beijing XINHUA in English 1436
GMT 2 Sep 93*

[Text] Beijing, September 2 (XINHUA)—China will amend its laws and decrees—and make new ones—to work for a clean government and form a legal basis for combating corruption more effectively, Chinese top legislator Qiao Shi said here today.

Qiao, chairman of the Standing Committee of the Eighth National People's Congress (NPC), told the Third Session of the Eighth NPC Standing Committee that fighting corruption should be one of the channels for establishing law and order.

He said strengthening legislation, especially on economic affairs, and enforcing the existing laws and decrees strictly is a must for rooting out corruption.

At present, most party and government officials are clean and diligent, Qiao said. But, he added, one should not be blind to the fact that corruption does exist, and, in some sectors and localities, it is swelling and spreading.

Qiao alerted the lawmakers to the seriousness and danger of corruption, and called on them to carry on the campaign against corruption "as an important political task."

He said the anti-corruption campaign launched by the Central Committee of the Communist Party of China expresses "the common desire of the people" and it is good for the "smooth progress of China's reform and opening to the outside world as well as its economic development."

He urged educational, administrative and legal approaches be taken in dealing with corruption. "Only by treating both the symptoms and the causes can we win the campaign," Qiao added.

In recent years, the NPC and its standing committee have passed a series of laws to stamp out such acts as embezzlement and bribery, providing a legal basis for punishing corrupt elements.

Qiao said the existing laws and decrees should be strictly observed and implemented in the campaign against corruption. Everyone is on an equal footing before the law, and no one should be privileged to transcend it, he stressed.

He said the NPC and its Standing Committee will step up their examination and supervision of the enforcement of laws and make greater efforts to tighten the grip of the law, as the lawmakers passed regulations today to standardize their work. Qiao said power should be checked and supervised during the campaign. A strong system should come into being, integrating supervision by the party organizations, the government institutions, the Political Consultative Council, the masses of people and the media.

As an organ of state power, the NPC and its Standing Committee should supervise, in accordance with the law, the work of administrative, judicial and procuratorial organs; prompt them to investigate important cases and take legal actions against violators, Qiao explained.

Zhu in Inner Mongolia; Stresses Solving Problems*OW0109134893 Beijing XINHUA in English 1329
GMT 1 Sep 93*

[Text] Hohhot, September 1 (XINHUA)—Chinese Vice Premier Zhu Rongji has stressed that the problems emerging in the current economic efforts should be solved through deepening the reform.

The fundamental task for the current economic work is to transform the management mechanism of the state enterprises so as to raise economic performance, reduce losses and increase profits, he said.

Zhu made the remarks during an inspection trip August 23-29 to north China's Inner Mongolia Autonomous Region. The vice-premier, accompanied by regional party and government leaders, visited several large infrastructural and industrial projects as well as families of local herdsmen.

In his talks with local officials, Zhu stressed that all localities should correctly understand the development trend of the economy and focus their attention on speeding up development by deepening the reform, transforming operational mechanisms, improving the economic structure and raising performance.

Problems in the current economic situation should be solved through adopting new thinking and methods, and accelerating the pace of reform in the financial, investment and revenue and tax structures, Zhu said.

The efforts to improve and strengthen macro-control and to solve the contradictions and problems in the current economy should be focussed on speeding up the reform and building a socialist market economy, he said.

Zhu told local officials not to excessively expand capital construction, saying that funds should be centered on production in the agricultural and pastoral sectors, production and exports of local key enterprises, and construction of key state projects.

He urged the speeding up of infrastructure construction, which is a bottleneck which hinders the country's economic development.

On a visit to Manzhouli on the Sino-Russian border Zhu expressed satisfaction with the booming Sino-Russian border trade. He stressed that the future of the border trade depends on the quality of China's exports.

He urged the strict banning of the export of fake and poor-quality goods. He added that those involved in making and selling fake and poor-quality goods must be severely punished.

Report on Li Tieying's Visit to Sichuan

Part One

HK3108100093 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 23 Aug 93

[First of three installments of report: "Li Tieying Inspecting Sichuan"]

[Text] The month of August in the land of plenty is a rare season of cool weather. From 12 to 15 August, bathed in gentle breezes, Li Tieying, member of the CPC Central Committee Political Bureau, state councillor, and minister of the State Education Commission; Xu Zhijian, deputy secretary general of the State Council; Wu Ji, vice minister of the State Commission for Restructuring Economy; and some other leading comrades, accompanied by provincial Governor Xiao Yang, conducted investigation and study in some large and medium-sized state enterprises in the cities of Mianyang, Deyang, and Chengdu. They held eight discussions at which they listened to the leaders of more than 20 enterprises reporting on the implementation of regulations and the introduction of the joint-stock system, and offering their suggestions related to these issues.

We now broadcast our staff reporter Zeng Xianggang's serial report, entitled: Li Tieying on Inspection Tour in Sichuan.

Since Deng Xiaoping gave talks during his inspection in southern China last year, Sichuan's reform has shown some exciting developments. After inspecting those enterprises, Comrade Li Tieying was very pleased. He felt that Sichuan's reform approach is correct and has made great achievements in its reform. In the meantime, he praised all the enterprises he had visited as excellent ones.

Deyang is a newly rising industrial city. Like a dazzling pearl, it emanates resplendent rays on the plain of western Sichuan. Deyang Mayor Yan Rugao said: What has been the most conspicuous achievement in Deyang in the 10-year reform is its town and township enterprises. The total annual output value generated by them has risen from a few hundred million yuan at the beginning of the reform to over 10 billion yuan, constituting about half Deyang's revenue. In the first seven months, the total output value of the city's town and township enterprises exceeded 16.6 billion yuan, 2.5 times the figure for the same period last year.

Li Tieying was very happy to hear this. He said: Deyang has two lines, one being the railway line and the other 108 [words indistinct] line. Now that Deyang is enjoying rapid economic development and the convenience of transportation, it should consider setting up a batch of

economy-oriented mini rural towns along the two lines, so peasants will not be required to change their household registration for entering cities and can leave the land but stay in their home area. If Deyang sets up 100 such mini towns, and each town generates 200 million yuan each year, Deyang will be able to reap 20 billion yuan from its mini towns alone each year.

Having said that, Li Tieying turned to Governor Xiao Yang: Sichuan is a big province. If it set up 1,000 such mini towns, they would generate 200 billion yuan in annual output value.

Part Two

HK3108040293 Chengdu Sichuan People's Radio
Network in Mandarin 1015 GMT 24 Aug 93

[Second of three installments of report: "Li Tieying Inspecting Sichuan"]

[Text] Dongfang Electrical Machinery Plant is one of China's three major manufacturers of hydropower and firepower engines. On 13 August, Li Tieying and provincial Governor Xiao Yang inspected this enterprise.

While walking along, Li Tieying listened to reports on the operation of the factory. He inspected four branches of the factory, including Chongqinggong and Hanjie. He said: Dongfang Electrical Machinery Plant is very famous, and I have long wished to come and have a look. I am very pleased to see that your operation is so good.

When Li Tieying was inspecting China No. 2 Heavy Machinery Plant, Yu Mingshou, party secretary of the factory, explained its conditions. He said: The total investment of the enterprise is over 700 million yuan and its annual output value is about 500 million. Its profit in the past years approximated zero. Li Tieying asked: Why not raise prices of your products? Yu Mingshou replied: First of all, the end users would not accept it, and the production period of machinery products is too long, at least two to three years from order to delivery. Secondly, prices go up too fast. The prices of raw materials more than doubled between January and July this year.

Very concerned, Li Tieying said: A big factory like China No. 2 Heavy Machinery Plant cannot fulfill its production targets without reaping returns. Its main and subsidiary branches can adopt the system of two-tier accounting in the capacity of two separate legal persons. Each level should have the power to conduct direct transactions with the outside. It is necessary for them to keep separate accounts, mobilize the initiative of the main and subsidiary branches, and thoroughly smash the big rice pot. Heavy machinery enterprises deserve special attention in reform.

Part Three

*HK3108040093 Chengdu Sichuan People's Radio
Network in Mandarin 1015 GMT 25 Aug 93*

[Third and last of three installments of report: "Li Tieying Inspecting Sichuan"]

[Text] On 15 August, Huang Wenkui, secretary of Chengdu City party committee, deputy Secretary Wang Rongxuan, and some others reported to Li Tieying on reform, especially the conversion of enterprise operational mechanisms, in the city at Bingluo Hotel.

At present, some enterprises in our province tend to focus on funds to the neglect of the conversion of their operational mechanisms. Li Tieying commented on the fact that some enterprises are now crying out for prompt installation of the joint-stock system. He pointed out: Some enterprises find the 14 provisions in the Regulations not satisfying and believe the joint-stock system will do the trick. This is not correct.

He said: The joint-stock system is being implemented in China on a trial basis. Trial implementation means we are still exploring. One should not take it for granted that an enterprise would always be making profits and never go bankrupt if it adopts the joint-stock system and has its shares listed on the stock market.

Li Tieying said: If poorly managed, a joint-stock enterprise may go bankrupt like any other enterprises. The conversion of enterprise operational mechanisms is an indispensable link in the history of enterprise development and [words indistinct] of current reform. Implementing well the regulations is the core of current reform.

"Newsletter" on Daqiu Zhuang Leader's Case

*OW3108142793 Beijing XINHUA Domestic Service in
Chinese 1028 GMT 27 Aug 93*

["Newsletter" by RENMIN RIBAO reporter Xu Rujun (1776 1172 0193) and XINHUA reporter Zhang Sutang (1728 1372 1016): "A Case the National Law Will Not Tolerate—An Account of Yu Zuomin's Crimes"]

[Text] Tianjin, 27 Aug (XINHUA)—It was in the Tianjin Municipal Intermediate People's Court at 1000 on the morning of 27 August 1993.

The solemn voice of a judge rose in the courtroom: "After trial and investigation, Yu Zuomin was found guilty on the counts of harboring criminals, obstructing official business, bribery, unlawfully detaining people, and unlawfully putting people under control....[ellipses as received] These are clear truths with conclusive evidence. With the appraisal of a collegiate bench of judges after discussion, the judicial committee discussed the case and decided to hand down sentences of six years, three years, and 10 years in prison; to deprive the accused of his political rights for two years, three years,

and three years for the aforementioned counts, respectively; and to combine these sentences into 20 years in prison and deprivation of political rights for two years."

A once illustrious peasant-turned-entrepreneur has received the punishment he deserved for openly trampling on laws and degenerating into a criminal.

I.

Since the mid-1980's, Daqiu Zhuang Village in Caigong-zhuang Township, Jinghai County, Tianjin Municipality has gradually advanced toward prosperity through developing village-run industries, and has become the "No. 1 Village in China" with its rich strength. Being president and party committee secretary of the corporation of the village-owned enterprise group, Yu Zuomin undoubtedly contributed to Daqiu Zhuang's economic development, and was thus commended as a national model worker and one of the "national top 10 peasant-turned-entrepreneurs"....[ellipses as received]

The growth of his wealth and fame, and the increase in laurels, however, made Yu Zuomin dizzy. He gradually became arrogant, imperious, and bossy. He did whatever he liked and went so far as to put himself above the national law.

In November 1992, Li Fengzheng, general manager of the Huada Group Company in charge of Daqiu Zhuang's farm production, died of illness. Yu Zuomin ordered an investigation into the Li Fengzheng-led company, while taking charge of the arrangements for Li Fengzheng's funeral. Soon, the Huada Company was dissolved and its subsidiary enterprises were put under the management of four group companies: Wanquan, Jinhai, Jinmei, and Yaosun, respectively. These four companies launched an overall investigation into the former Huada Company.

In the course of the investigation, the conference room of the Daqiu Zhuang Corporation was temporarily turned into a "clandestine court," equipped with not only video and audio recording equipment, but also electric cattle prods and whips. Under the auspices of Yu Zuomin, his second son Yu Shaozheng, general manager of the Daqiu Zhuang Enterprise Group Corporation; Zhou Kewen, chairman of the Daqiu Zhuang Public Security Committee; Shi Jiaming (female), secretary of the corporation; and others successively conducted "interrogations" of Tian Yizheng, director of the oxygen plant under the former Huada Company; Hou Hongbin, deputy general manager of the Huada Company; and Song Bao, director of the breeding farm, among others.

Despite the freezing weather, the interrogees were stripped of their upper clothing while undergoing "investigations."

On 7 December, Yu Zuomin personally "interrogated" Tian Yizheng. When 61-year-old Tian Yizheng repeatedly denied any problems in economic issues and his lifestyle, Yu Zuomin flew into a rage and slapped Tian Yizheng heavily across the face. Following Yu Zuomin,

Zhou Kewen, Shi Jiaming, and a dozen hatchet men pressed forward and beat Tian Yizheng until he "admitted" his own alleged "problems."

This was not the end. After the "interrogation," Tian Yizheng was illegally detained for 14 days. Hou Hongbin was illegally detained for 42 days after illegal interrogation, and Song Bao, for 39 days.

More than a dozen staff and workers of the former Huada Company were illegally interrogated, detained, and beaten up, one after another, from the end of November to mid-December. Interrogators either cuffed and kicked victims or beat them up with electric cattle prods and whips to make them "confess."

Yu Zuomin also handed out handsome bonuses to encourage personnel "who had rendered meritorious service" during the "interrogation," beating, and detention of innocent staff and workers. The bonus received by Luo Deyuan, director of the automobile plant of the Wanquan Company, was approximately 8,500 yuan. When Yu Zuomin saw the "bravery" Liu Zhentong demonstrated in beating Hou Hongbin during an "interrogation," he immediately ordered that 5,000 yuan be handed to Liu.

Finally, the case of beating Wei Fuhe to death occurred on 13 December. He was a staff member of the Huada Company.

Wei Fuhe came from Zaoqiang County, Hebei Province. He arrived in Daqiu Zhuang in 1990, and began taking charge of capital construction for the Huada Company's breeding farm. Later, when the Huada Company was dissolved, its breeding farm was merged by the Wanquan Company. Wei Fuhe came under suspicion in the process of an overall investigation. At some time past 1400 on the afternoon of 13 December, Liu Yunzhang, director of the Department of Directors of the Wanquan Group Company, ordered 26-year-old Wei Fuhe to the third floor of the company building.

The "interrogation" came straight to the point. Liu Yunzhang and his people demanded that Wei Fuhe "honestly confess his corruption." Upon Wei Fuhe's negative response, the people encircled and walked toward him, and then a rain of fists and kicks fell on him.

The beating escalated as Wei Fuhe repeatedly denied the charge against him. He was stripped bare of his upper clothing; electric cattle prods and whips were used; and when a bunch of people got tired from the beating, they were relieved by another bunch. Desperate imploring and moaning could be heard from Wei Fuhe's mouth.

The "interrogation" and beating which began at some time past 1400 lasted for more than seven hours. Eighteen people of Wanquan Company successively entered and left the small room of about 10 square meters. They took turns "interrogating" and beating Wei Fuhe.

It was not until Wei Fuhe stopped moaning and was observed to have very feeble breath at some time past

2200, that the murderers came to realize that disaster was imminent. Despite an emergency rescue effort, Wei Fuhe died on the way to the Daqiu Zhuang Hospital.

Afterward, an autopsy found the deceased had 380 bruises on his body and had died of a traumatic coma from external injuries.

Although Wei Fuhe was dead, it was not the first homicide to occur in Daqiu Zhuang.

In April 1990, when Yu Zuoxiang, Yu Zuomin's cousin, was told by his daughter that Liu Jinhui, director of the furniture factory at Daqiu Zhuang, had taken advantage of her, Yu Zuoxiang was furious. After he summoned a bunch of people to beat up Liu Jinhui, he asked Yu Zuomin to "back them up," to teach Liu Yutian, Liu Jinhui's father, "a lesson." Yu Zuomin's reply was: "Get him into the street, spit on him, and humiliate him."

On the morning of 11 April, Yu Zuoxiang and his people called Liu Yutian into the street, surrounded him, and beat him up. They would not listen to Liu Yutian when he tried to reason with them and was on his knees begging for mercy. He was beaten to death on the spot.

After this occurrence, despite the consistent efforts of Yu Zuomin to plot behind the scenes in an attempt to enable the criminals to escape punishment by law, all seven murderers who had beaten the victim were brought to justice and received punishment. To Yu Zuomin, this just verdict meant that the judicial organ "did not show due respect for his feelings." After that, he began to engage in a string of activities against the law and in confrontation with judicial organs: organizing demonstrations; organizing donations for the killers' families; convening meetings to condemn Liu Yutian, who was beaten to death; organizing more than 2,000 people to write letters of protest to judicial organs; firing seven members of the Liu family at enterprises under Daqiu Zhuang's administration; and imposing surveillance on the houses of Liu's relatives, banning them from contacting outsiders, and prohibiting them from leaving the village. Under such circumstances, Liu Yutian's three sons were forced to escape from Daqiu Zhuang, where the Liu family had lived for generations. At the same time, Liu Yutian's daughter Liu Jinyun was put under illegal detention for nearly three years.

Yu Zuomin did whatever he wanted to do in the face of Daqiu Zhuang villagers. At times, he was also insufferably arrogant in the presence of visitors from other localities.

On the morning of 27 November 1992, 27 students of a cadres school in Beijing, led by their class master Cheng Gang, arrived in Daqiu Zhuang to conduct a social survey.

In a store in Daqiu Zhuang's Hong Kong Street, the students engaged in a dispute with the store's ill-mannered female manager when they asked her the price

and supply of commodities sold in the store. The manager summoned a few security people who, ignoring the students' explanations, locked them up and beat them.

A student named Zhang Xinze and class master Cheng Gang were taken separately to Yu Zuomin's conference room. Yu Zuomin repeatedly coerced Zhang Xinze into admitting that he stirred up the dispute, but Zhang Xinze refused to bow. Yu Zuomin then threatened Zhang Xinze, saying: "If you refuse to talk now, things will become very difficult for you after I have left." He left the conference room after making the remark. After he left, several hatchet men swarmed toward Zhang Xinze and beat him brutally; and a few women also dashed at Zhang Xinze, twisted his ears, and spat in his face.

Cheng Gang was also brutally beaten several times. Yu Zuomin came back into the conference room and yelled, with his finger pointing at Cheng Gang: "Your scoundrel chieftain is leading others to make trouble here!" After sending someone to take Cheng Gang to see the scene set up by Zhou Kewen and his party, Yu Zuomin told Cheng Gang: "Write something to apologize and confess that you drank, insulted women, beat three security people, and smashed a piece of glass." Cheng Gang refused to write and was again beaten.

The class master and students were illegally detained for seven hours; 21 of them were beaten and five were hospitalized for their injuries.

II.

It was said that Daqiu Zhuang had no laws but Yu Zuomin's "instructions." And these "instructions," like the "imperial edicts" of feudal emperors, "governed" Daqiu Zhuang.

In the last few years, some people who dealt with Daqiu Zhuang and understood the situation expressed their strong indignation over Yu Zuomin's behavior, calling Daqiu Zhuang a feudal "fortified village"; Yu Zuomin a feudal "village boss"; and his second son Yu Shaozheng the "young village boss".

Wei Fuhe's death scared Liu Yunzhang and his party, who presided over the beating. After learning of Wei Fuhe's death, Liu Yonghua, acting general manager of Wan Quan Company, and Yu Shaozheng did not know what to do and decided to go to Yu Zuomin's home.

After hearing reports by Liu Yonghua and Yu Shaozheng, and after discussing the matter with them, Yu Zuomin picked up the phone and reported the case to the Jinghai County Public Security Bureau, saying: "A man died here. While he was being investigated for economic problems, a group of people intruded into the house and beat him to death. Will you send someone here?" Thus, a case in which a man was brutally and purposely beaten to death over seven hours was falsely and casually described by Yu Zuomin as a man beaten to death by a group of irrelevant people.

After hanging up the phone, Yu Zuomin said: "There were so many people (referring to those taking part in the "trying" and beating of Wei Fuhe) and it implies too many problems. I think it is better to find someone to take care of the whole thing." Before Yu Zuomin could hardly finish his words, Liu Yonghua understood his intentions and immediately returned to the Wan Quan Company to carry out the scheme. Before long, the new "version" of the cause of Wei Fuhe's death was completed. Thus, public security personnel who rushed to the site got this report: Liu Yunzhang, Liu Shaosheng (deputy general manager of Wan Quan Company), Chen Xiangqi (security chief of Wan Quan Company), and Li Zhenbiao (worker of Wan Quan Company) were responsible for examining Wei Fuhe's economic affairs. At about 1900, Liu Yunzhang, Liu Shaosheng, and Chen Xiangqi went out for dinner, leaving Li Zhenbiao—who had arrived in Daqiu Zhuang less than one month before, after ending leave without pay—to watch Wei Fuhe. Suddenly, more than 20 people whom Li Zhenbiao had never seen before intruded into the house and beat Wei Fuhe before fleeing.

To make the story more "convincing," Li Zhenbiao hastily falsified two pages of records indicating that Wei Fuhe admitted that he had economic problems. Li Zhenbiao, together with Liu Yunzhang and Liu Shaosheng, went to the hospital to get finger prints from Wei Fuhe's corpse. Later, Liu Yunzhang asked someone to clean up the scene, and Liu Yonghua hinted that the other people who had participated in Wei Fuhe's beating must not admit their criminal acts.

But, trying to cover up facts is no less than trying to stop a fire with paper. After conducting an investigation of the scene and after questioning those involved, the police found visible discrepancies between Yu Zuomin's report, and Liu Yonghua and Liu Yunzhang's story. The first discrepancy was that there was no evidence to show that more than 20 people had intruded into the house; the second was that the autopsy showed that the numerous injuries on Wei Fuhe's body were not caused by an instantaneous violent beating.

During the investigation, policemen took the foot prints of Liu Yunzhang and three other people, as required by law. It was this regular law-enforcing step of the public security organ that frightened the killers. After learning about it, Yu Zuomin asked Liu Yonghua to arrange for the four to escape.

On the night of 15 December, the Tianjin Municipal Public Security Bureau sent six technical-expert policemen to Daqiu Zhuang in a public security car to conduct a further investigation. Led by the deputy head of the Jinghai County Public Security Bureau's criminal police brigade and Daqiu Zhuang's social order maintenance personnel, the six policemen arrived at the scene.

When the news reached Yu Zuomin, he was exasperated and immediately ordered the policemen's detention. Before long, dozens of young, strong men rounded up the

policemen, who were performing their official duty. Ignoring the policemen's explanation, the young men locked the steel gates of the house and guarded the way, cutting all contact between the policemen and the outside world.

The next morning, Yu Zuomin asked someone to bring two leading officers of the investigation team to him and angrily yelled at them: "Why did you come here? Why didn't you ask for the party committee's permission? What is the fuss? Only a man was beaten to death!"

It was not until Tianjin Mayor Nie Bichu learned of the news and personally intervened in the matter that Yu Zuomin agreed to release the policemen at about 1100. The policemen had been illegally detained for 13 hours.

As the secretary of the Daqiuizhuang Village CPC Committee, Yu Zuomin was supposed to readily provide support for a public security organ performing its official duty. However, during the two-month investigation, Yu Zuomin—while saying he would give his support and cooperation during talks on various occasions with leaders at various levels—drew up a plan and helped the criminals to escape, and hindered the public security organ from performing its official duty.

After Wei Fuhe was beaten to death, the first thing Yu Zuomin did was to send someone to bring his family members from Hebei's Zaoqiang County to Daqiuizhuang. Yu Zuomin threw 65,000 yuan at them and asked them to write a letter of guarantee that read: Wei Fuhe's body will be shipped to Zaoqiang for cremation, and his family will never approach Daqiuizhuang again.

A few days after Liu Yunzhang and the other three people fled Daqiuizhuang, Yu Zuomin, figuring that things were over, asked the four to return to Daqiuizhuang to hide there. Acting on Yu Zuomin's instructions, Liu Yonghua picked up them up, settled them in an apartment, and brought all kinds of daily necessities to them. Yu Zuomin decided to let them return home for the Spring Festival in 1993. The four had hidden in Daqiuizhuang for more than 70 days.

In mid-February 1993, the Tianjin Municipal People's Procuratorate decided that the four major suspects, Liu Yunzhang, Li Zhenbiao, Liu Shaosheng, and Chen Xiangqi, should be arrested according to law, and so it requested the public security organs to assist in making the arrests. The Tianjin Municipal Public Security Bureau issued a "wanted circular" and decided to organize personnel to make a search of Daqiuizhuang. The public security organs considered the fact that after a police station in Daqiuizhuang was deactivated, it left behind 15 small firearms and some 2,000 rounds of ammunition which the village authorities refused to turn over to higher authorities, and the village also had some shotguns and hunting rifles. On 17 February, 400 policemen were dispatched to deal with any contingency and prevent the fugitives from escaping.

On the morning of 17 February, leading comrades of the municipal and county public security and procuratorial organs, as well as Jinghai County, visited the village to explain the situation to Yu Zuomin. Extremely dissatisfied with the large number of policemen, Yu said that he disagreed with the police search.

Sitting in the conference room with one leg crossed and a cigarette in hand, he said to the leading comrades of the municipal and county departments: "Neither you nor I dare to guarantee that clashes will not happen. The masses do not know the law, nor do I. This is a responsibility I cannot take." Then, he threatened his "temporary resignation." In the afternoon, Yu Zuomin slandered the authorities for "massing more than 1,000 troops" and arrogantly asked: "Who are you here for?" Then rumors arose everywhere in Daqiuizhuang.

In fact, the 400 policemen were awaiting orders approximately three kilometers away from Daqiuizhuang and never got near the outskirts of the village.

Nevertheless, Daqiuizhuang was in a "state of war." Group after group of workers were assembled, patrolling the village and guarding all roads. Tons of steel bars were cut into meter-long pieces and issued to workers as weapons. Roads were barricaded with automobiles, tractors, carriages, and fully loaded gasoline tank trucks. Traffic to and from the big village was disrupted and people passing were unlawfully searched.

To prevent clashes with people who did not know the truth, the Tianjin Municipal Public Security Bureau on 17 August decided to keep only 30 of the 400 policemen on duty, and withdrew the rest. Yu Zuomin and the members of the Daqiuizhuang party committee were informed of the decision in the evening.

However, Yu Zuomin called a village meeting next morning and incited the villagers with rumors: "The municipal authorities have deployed more than 1,000 troops with artillery pieces, tear gas canisters, and police dogs around this village, and they will search the village. I doubt that they are here about the case." He further incited the villagers who did not know the truth: We should "defend" the general corporation and Daqiuizhuang and "not concede even a little over their illegal actions." In conclusion, he announced that everyone in the village was given one month's leave with pay, and he himself would "temporarily resign from his post."

After the meeting, the situation in the village became even worse. Factories suspended work and schools were closed. Some people, with intense emotion and with weapons in hand, took to the street, while others broke into the conference room to question and jointly attack [wei gong 0953 2396] the leading comrades of the municipal and county departments concerned.

The political and law committee of the Tianjin municipal party committee unequivocally requested the Daqiuizhuang party committee to guarantee that the law-enforcement personnel could enter the village to perform

official duties before 1800 hours on the 19th. Under that situation, Yu Zuomin stalled until 1700 hours on that day before he reluctantly agreed to let some 20 law-enforcement personnel to post the wanted posters and search the fugitives' houses in the village. In the meantime, Yu Zuomin told his men to "ridicule and humiliate" the law-enforcement personnel.

When the law-enforcement personnel were entering the village, Yu Zuomin lined up a dozen luxurious cars at the village entrance to express a "welcome," and videotaped the event.

With the "welcome" by the luxurious cars on both sides of the road, the law-enforcement personnel, "surrounded" by thousands of people, were again obstructed from performing their official duties. In fact, two fugitives were hidden in the village at the time.

While Yu Zuomin was openly inciting people to obstruct the performance of official duties, he made unfounded countercharges. In the name of the Daqiu Zhuang party committee, on 21 February he prepared written material—"The surrounding of Daqiu Zhuang by over 1,000 troops and policemen dispatched by Tianjin Municipality and how it happened"—and sent it to some organizations in other localities, and circulated it among the public. The material distorted facts. It lied about Wei Fuhe being "suddenly beaten to death by a group of unidentified people." It also spread the rumor: "A large number of armed police have arrived in the vicinity of Daqiu Zhuang (more than 1,700 according to eyewitnesses) and some people have seen their equipment, including artillery pieces, police dogs, tear gas canisters, rifles, and pistols."

The written material described the search for fugitives according to the law as "being directed at China's No. 1 village, Daqiu Zhuang, not at several suspects" and as "being directed at the reform undertakings," and therefore called for "seeking justice from among people across the country."

In view of law-enforcement personnel being repeatedly prevented from performing official duties, no major progress was made in the investigation of the Wei Fuhe case, and the Daqiu Zhuang party committee headed by Yu Zuomin brazenly obstructed the work of the law-enforcement organs. Therefore, the Tianjin municipal party committee decided to dispatch a work group to Daqiu Zhuang on 10 March to help the latter restore normal production, living and social order, and to assist law-enforcement organs in investigating and handling cases.

To deal with the arrival of the work group, Yu Zuomin adopted a double-dealing practice of feigning compliance. While promising to cooperate with the work group, he instructed Liu Yonghua to help the two wanted criminals, who were being hidden in the operator's cabin of a gantry crane in the village, to flee.

As early as 20 February, Liu Yonghua had Liu Shaosheng were transferred by car to Hebei's Xianxian County and Chen Xiangqi to Hohhot and later to Baotou. On 14 March, he again ordered someone to have Liu Yunzhang and Li Zhenbiao sent to Shandong and later to Jiangsu, Zhejiang, Anhui, and Guangdong to hide. During the four wanted criminals' escape from Daqiu Zhuang, Yu Zuomin was quite "generous"; he contributed a total of 160,000 yuan to help them escape.

Between August 1992 and March 1993, Yu Zuomin and Yu Shaosheng also bribed an office cadre with tens of thousands of yuan on four occasions to get confidential information and to interfere in the investigation of the case.

Yu Zuomin played for quite high stakes in fighting the law enforcement organ. However, he miscalculated in thinking that the evidence could be completely covered up. He also underestimated the determination and ability of law enforcement agencies to resolutely crack down on crime.

To thoroughly investigate the case of Wei Fuhe and other violations of law committed in Daqiu Zhuang, the task force organized by the Tianjin municipal party committee and the public security organs conducted enormous amount of meticulous work. While mobilizing the masses to expose and report crimes committed, it also followed more than 800 clues and sent personnel to work full-time with the local public security organs to investigate and arrest the suspects. Liu Shaosheng and Chen Xianqi were arrested in mid-March, and Liu Yunzhang and Li Zhenbiao later surrendered themselves to the authorities, awed by the power of the public security organs.

The investigation made major progress in early April. Yu Zuomin's criminal activities were exposed by a large amount of uncovered facts. On 15 April, the public security organ detained Yu Zuomin for investigation in accordance with the law. On 21 April, the procuratorial organ approved his arrest.

Yu Zuomin confessed his crimes to the public security organ during the preliminary hearing.

By early July, Liu Yunzhang and 17 suspects involved in beating Wei Fuhe to death, and Yu Zuomin and seven other suspects involved in sheltering criminals, obstructing the conducting of official duties, bribery, illegal detention, and illegal control were all arrested and brought to justice by the public security organ.

A branch of the Tianjin Municipal People's Procuratorate initiated public prosecution on the two cases at the Tianjin Intermediate People's Court on 31 July and 14 August, respectively. The people's court conducted public trial of the two cases on 10 and 11 August, and on 23 and 24 August, respectively, and announced judgment of the first instance on 27 August.

III.

On the afternoon of 24 August, prior to the conclusion of the public trial, Yu Zuomin made his final statement before the court in accordance with trial procedures. He said: "After several months' of soul searching and two days of court trial, I have become increasingly aware of the seriousness of my crime. I am willing to submit myself to punishment by the law."

In speaking of the causes of his crime, he said: "There are ideological as well as historical causes. As Daqiu Zhuang grew, my head swelled, and I forgot the law and the spiritual civilization. I was muddle-headed and unaware of the serious crime I had committed, even at the time when I was arrested." Although belatedly, he regretted the crime, saying: "A lot of people committed crimes because I did what I did."

Yu Zuomin degenerated into a completely lawless criminal. However, what was Yu Zuomin like before his degeneration?

"Basically, Yu Zuomin was not a bad person," a responsible person of the Jinghai County party committee said with regret. "He was intelligent and the leader responsible for Daqiu Zhuang's prosperity."

Yu Zuomin joined the party in 1958. He subsequently served as a village cadre for dozens of years. Daqiu Zhuang had been a very poor and backward village until the mid-1970's. After the Third Plenary Session of the 11th CPC Central Committee, Yu Zuomin, then secretary of the Daqiu Zhuang party branch, began to lead the village cadres and masses to carry out reform and develop village industries. As a result, Daqiu Zhuang's economy grew rapidly, and it became "China's No. 1 Village," with assets totaling 3,287 million yuan.

People still remember that in the early period of reform when Daqiu Zhuang gradually became prosperous, most families bid farewell to thatched cottages and moved into brick houses. At that time, many people urged Yu Zuomin to move into a brick house. However, he insisted that he wanted to be the last in the village to move. Yet, in the last two or three years, Yu Zuomin began to accumulate wealth, and indulged more and more in luxury and extravagance. His residence became more and more luxurious. He went from his home to his office by car, although the distance between his air-conditioned mansion and his office was only 200 meters. He spent money like water. He had six telephones in his home, and his leather belt cost more than 10,000 yuan.

From being a prosperous leader with his fame celebrated across the four seas, Yu Zuomin degenerated into a criminal unpardonable by the country's law. His lesson is profound. During the trial, Yu Zuomin on several occasions mentioned his hardships as a pioneer in developing Daqiu Zhuang in the last 15 years. However, the sacred law of the Republic is not allowed to be trampled on; no one is above the law.

Now that Yu Zuomin has been punished by law, will Daqiu Zhuang collapse as a result? This is a matter of concern for the people.

To minimize the effects of the crimes committed by Yu Zuomin and the others, the task force sent by the Tianjin municipal party committee to Daqiu Zhuang adopted a series of measures to safeguard the village's production, work, and social order; to help it carry out production; and to ensure the normal operation of its economic activities and external business. The task force encouraged the leading members of the Daqiu Zhuang Enterprise Group Corporation and the principal leaders of the four company groups to work without apprehension, except for those who broke the law. The task force also invited experts to make an inventory of the village's assets. The results of the inventory show that Daqiu Zhuang's current assets total 3,287 million yuan and its liabilities total 1,300 million yuan, showing a debt-to-asset ratio of 38.2 percent, which is normal.

In the last several months, Daqiu Zhuang's enterprises have continued to deepen and perfect reform, and its industrial production has grown steadily. The village's industrial output value for the first half of this year reached 2,300 million yuan and its net revenue topped 184 million yuan, up 71 percent and 50 percent, respectively, over the same period of last year.

While working to stabilize production, the task force also launched in-depth, meticulous education in the legal system and strengthened the building of spiritual civilization. Today, people have a better understanding of why so many law-breaking incidents took place in Daqiu Zhuang, and why Yu Zuomin became an unpardonable criminal. The masses agree that Yu Zuomin deserves his punishment and that everyone is required to observe the law.

In today's Daqiu Zhuang, people are free from anxiety, and production is carried out as usual. Daqiu Zhuang people are marching with a new posture in the direction pointed by the party.

'Special Feature' on Corruption Within CPC

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["Special Feature" by reporter Si Liang (1835 5328): "Corruption in the CPC Calls Into Question the Survival of the Regime"]

[Text] Hong Kong, 1 Sep (ZHONGGUO TONGXUN SHE)—Since 20 August, when the second meeting of the CPC Central Commission for Discipline Inspection decided to carry out a large-scale struggle against corruption throughout the country, the media on the Chinese mainland have carried all kinds of reports and commentaries to expose corruption. A tide of public opinion against corruption is now forming in China. On the other hand, concrete arrangements are being made by the central authorities. In October, they will send work

groups to various localities to inspect the situation of the anticorruption drive. The Supreme People's Procuratorate has established an investigation and command center for handling corruption and bribery cases in order to coordinate with various provinces in handling such cases. The success or failure of this struggle has become the focus of attention of people throughout the world, who are showing concern for the Chinese mainland.

However, based on their past "experiences," people are still apprehensive that the struggle might be carried out "perfunctorily or superficially," "with much said but little done" and "only swatting the flies to the neglect of the tigers." This is because in the Chinese mainland, all kinds of unhealthy tendencies are shielding the criminal activities of corruption and bribery. Phenomena such as not abiding by the law, not enforcing prohibitions, taking countermeasures against central policies, disregarding law and discipline, and evading investigation and punishment have often occurred. For example, it is said that over the past 40 years and more, the CPC has issued more than 100 "red-letter-headed documents" on prohibiting the use of public funds for the purpose of eating, drinking, and seeking pleasure. But this unhealthy practice still exists. Last year, the "public servants" on the mainland used a total of 100 billion yuan for eating, drinking, and traveling. This is rare in the world. The central authorities have also issued repeated injunctions, forbidding cadres from engaging in commercial businesses and stock speculation and demanding rectification of unhealthy practices such as arbitrarily imposing charges. But some departments and individuals have taken countermeasures against these injunctions, making them mere scraps of paper. Smuggling has been running wild despite repeated prohibitions. One of the main reasons is that most of the smuggling cases have some connection with the corruption of party and government officials, who have taken advantage of their positions and power to seek private gain. The many complicated relations networks at various levels have become "forbidden areas" for people who are handling cases. In the past several decades, especially the past 10 years and more since reform and opening up, the CPC has repeatedly issued documents and speeches on punishing corruption and bribery and encouraging honesty. But the current situation of corruption and bribery is even more serious than ever before. The number of major and important cases and the number of party and government officials involved in corruption, bribery, and other criminal economic cases have both been increasing. This year alone, more than 1,900 party and government officials have been involved in such cases and nearly 100 cases which have been investigated and handled concerned corruption and bribery of over 1 million yuan, which is an increase of more than 100 percent over the same period last year. The unhealthy practices of corruption and degeneration within state organs, including exchange between money and power, practicing graft and bending the law, giving and taking bribes, extorting money and blackmail, and indulging in pornography, have seriously hurt popular feeling and

endangered the survival of our regime. Without a resolute struggle against corruption, not only will the people lose their faith in and understanding of the Communist Party, but also the Communist Party will collapse of itself and even lose political power. Thus, the importance and imperativeness of the anticorruption struggle are evident to all.

CPC patriarch Deng Xiaoping has repeatedly emphasized that "it is necessary to oppose corruption in the entire course of reform and opening up." The violent changes in the former Soviet Union and East European socialist countries some years ago and the recent failure of the political parties in power in some capitalist countries, such as Japan, Italy, and the Republic of Korea, have provided the CPC with a bitter lesson, just as Jiang Zemin said: If the upper beam is not straight, the lower ones will go askant; and if the middle beam is not straight, the house will topple down. If the unhealthy practices are not successfully rectified, the Communist Party in power may also be forced to quit China's political stage. Now corruption within the CPC is already affecting the party's leadership. It has also greatly weakened the party's authoritative nature. "Corruption may cause the party to perish." This has become a common understanding of the high-level CPC leaders. It is an extremely urgent task to fight against corruption, which is a harsh reality concerning the destiny of our regime. For this reason, the CPC is determined to carry out a large-scale struggle against corruption. It clearly points out that the focus of the anticorruption struggle is the organs of power and the leading cadres who have real power in their hands, emphasizes the necessity of "arresting and killing a number of criminals" and "meting out severe punishment to all those who deserve severe punishment and killing all those who should be killed," and shows its determination never to appease criminals. "Wherever there is corruption, we must fight against it." The strong wording used by the high-level CPC leaders, the harsh reality of corruption, and the anticorruption measures, which have been worked out one after another, have more or less changed the views of those people who still have misgivings toward the current anticorruption struggle. They begin to feel that this time, the CPC will "take real action."

At present, the imperativeness of the anticorruption struggle requires that severe laws be strictly enforced and major and important cases be handled. "It is necessary to score distinct achievements within a short period" so that the spreading of corruption can be curbed. But in the final analysis, this is only a measure to bring about a temporary solution of the problem. To effect a permanent cure, it is necessary to carry out the following tasks well: 1) Bring the struggle against corruption into the orbit of the legal system; 2) establish an independent supervisory mechanism, in which the public has faith; 3) protect to the full the citizens' right to report against crime; 4) establish an effective clean government system and a corruption prevention system; and 5) implement

measures for organizational reform and the public servant system which is characterized by encouraging honesty with pay [yi feng yang lian 0110 0218 7402 1670].

Just like the fact that it takes more than one cold day for the river to freeze 3 feet deep, the problem of corruption has become so serious today because it has been brewing for quite a long time in the Chinese mainland. It is obvious that the anticorruption struggle is a serious, arduous, and complicated task which cannot be accomplished overnight. This struggle should be carried out perseveringly for a long time. Only thus can the phenomenon of corruption be fundamentally eliminated.

Jiangsu Official on Anticorruption Struggle

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26 Aug 93 p 1

[“Interview With Discipline Inspection Cadres” column by staff reporter Chen Weiwei (7115 4850 0251): “Grasp Genuinely, Constantly, and Unremittingly, Do Solid Work—Interview With Cao Keming, Secretary of Jiangsu Provincial Discipline Inspection Commission”]

[Text] “The tasks of the anticorruption struggle are extensive in scope and numerous in volume with complicated conditions. Anticipated results cannot be obtained unless the party committee and government take them seriously, intensify leadership, carry out overall planning and make well conceived arrangements and, in particular, grasp them genuinely, constantly, and unremittingly.” These were remarks made by Cao Keming, secretary of the Jiangsu Provincial Discipline Inspection Commission, at the Second Plenary Session of the Central Commission for Discipline Inspection. His remarks were echoed by other participants.

During a break in the meeting, this reporter interviewed the above-mentioned secretary. He said: Since the fourth quarter of 1989, Jiangsu Province has successively taken firm control of more than 10 rectification tasks, and most of them have attained marked achievements. For example, in screening the privately built houses of party and government cadres in violation of discipline and law, a total of 3,381 houses have been demolished, 219 houses have been confiscated, and a total amount of 10.604 million yuan has been collected in fines, refunds, and overdue tax payments. At present, the hot problems which previously caused great repercussions among the masses through letters and visits have become problems which receive little attention. Although some problems have not been thoroughly resolved, still a relatively good dampening effect has been displayed. These are results scored by many years of persistence by the provincial party committee, the provincial government, and the commissions for discipline inspection at all levels.

Cao Keming particularly stressed: “Dependence on the masses and intensification of supervision are powerful measures in the anticorruption struggle. Over the past few years, in light of the practice of rectification in specific operations, Jiangsu Province has universally set

up reporting centers, reporting telephones, reporting boxes, and so on, mobilized the masses to report cases in an organized manner, and practiced the system of making public three things—making public the items screened, making public the condition of cadres’ self-examination and self-reporting, and making public the results of cases handled. In screening houses, a total of 9,006 vacant flats have been reported by the masses throughout the province, and governments at all levels have organized forces to check and verify them one by one. Practice has proved that wherever the work of relying on and mobilizing the masses is well conducted, remarkable screening results are yielded, and the masses are comparatively satisfied.

“What is to be done if the anticorruption struggle meets with resistance?” Cao Keming answered: There will be resistance, and to be sure, it will not be small at that. However, a party committee or a discipline inspection commission must be bold in confronting those truly tough problems. Whatever should be checked and acted upon must be checked and acted upon resolutely even though there is strong resistance. It must see to it that the problems will not reoccur in the future. The problem of paying excessive attention to clothing became a scourge for a time in Jiangsu, about which the masses made a joke, saying: People enforcing the law must have “fine clothes” to wear [zhi fa bi yi 1013 3127 1801 5902] so that “every citizen is a soldier.” Peasants said: “Twenty-eight broad-brim hats subject a ragged straw hat (referring to a peasant) to discipline. Everything is in a muddle, indeed.” As a result of the screening, more than 100,000 people in the province were found to have violated the regulations on clothing. It is easy for people to wear fine clothes, but it is difficult not to wear them. In the course of handling this matter, some people refused to take them off on the strength of documents issued earlier by the higher authorities. Others were reluctant to take them off under the pretext that their work would be affected if they did so. The provincial party committee and government made a firm decision that except for those stipulated by the State Council, all requirements for wearing uniforms indiscriminately would be entirely withdrawn, thereby relatively thoroughly resolving the problem of “broad-brim hats flying all over the sky.”

Finally, Cao Keming said: To resolve the outstanding problems in a certain period, we have found it effective to take firm control of the hot spots and do practical work in the rectification of specific operations. However, the fundamental way out for resolving the problems lies in institutionalization and legalization. In the course of rectifying specific operations, we must take the formulation of regulations and institution of systems as important links. Hence, after an item is screened and rectified, a set of rules and regulations should be set up and perfected, so that in the area of institutional building the rectification achievements will be consolidated and developed and the phenomenon of committing the same errors previously corrected will be avoided. In short, so

long as we steel our hearts to grasp the work solidly, constantly, and unrelentingly, we will certainly achieve good results in the anticorruption struggle.

Article Views Regulations on Civil Servants

HK3108065393 Beijing RENMIN RIBAO in Chinese
20 Aug 93 p 5

[Article by Song Defu (1345 1795 4395): "Boldly Reform the Outdated Personnel System—On 'Interim Regulations on Civil Servants'"]

[Text] At last year's 14th party congress, Comrade Jiang Zemin called for an early establishment of a civil service. At this year's First Session of the Eighth National People's Congress [NPC], Comrade Li Peng instructed localities and departments which had completed bureaucratic reforms to institute civil services. From then on, people took a keen interest in the establishment of a civil servant system, and comrades at departments concerned had become even busier working for a civil servant system.

On 19 August 1993, the long-awaited "interim regulations on civil servants," signed by Premier Li Peng, was officially promulgated. The regulations revolve closely around the fundamental guiding thought of implementing the party's basic line, have inherited the decades-long fine tradition in cadre and personnel work of the party and state, have summed up the successful experience of cadre and personnel reforms over the last decade or so, and have absorbed from foreign countries some good practices in personnel management that observe the laws of modern personnel management. In all, the regulations are a general code that meet the need of establishing a socialist market economic system, will put personnel management in our government bureaucracy on a scientific and statutory footing, and signal the beginning of a civil service system at all levels of the state bureaucracy that will help promote reforms in the personnel structure.

The Background and Process of the Formulation of the regulations

The call on the entire party to switch the focus of work by the Third Plenary Session of the 11th CPC Central Committee was the fundamental reason for reforms in personnel structure and pursuing a civil service system. As early as 1980, Comrade Deng Xiaoping had explicitly demanded "resolutely emancipating minds, overcoming numerous obstacles, smashing old frameworks, and boldly reforming outdated organizational and personnel structure," and stressed that the "keys to all these are improving elections, entry-related examinations, appointments and dismissals, appraisals, and impeachments, and the rotation of cadres. Providing suitable, explicit, and flexible guidelines for tenure, the retirement with distinction in seniority, and the retirement of leading cadres (including the elected, appointed and hired) of all ranks are also keys." Comrade Xiaoping showed the urgency and necessity of reforms in the

personnel structure and pointed out the direction and methods for reforms, thus providing the pursuit of personnel structural reform with a valuable theoretical foundation.

Following the Third Plenary Session of the 11th CPC Central Committee, reform in the cadre personnel system has been actively explored and has scored significant results. First, we have established a cadre personnel system that centers on economic construction, and upheld the four cardinal principles and the guiding thought for the basic line of reform and opening up. Second, we have laid down the principle of making the cadre force "more revolutionary, younger, knowledgeable, and professional." Third, we have built a retirement scheme for veteran cadres, in effect, abolishing the life tenure system for leading cadres. Fourth, we have conducted many single-project experiments. For instance, broadening the appointment-only system to include recruitment from selections, examinations, hiring, and various other employment methods; instituting a post responsibility system in administrative departments; and appraising cadres through democratic reviews. Fifth, we have initially established a concept of separate administration in cadre management which delegates more administrative powers to cadres. Sixth, the concepts of openness, equality, and competition in cadre personnel work and the idea of putting cadre personnel management on an institutionalized and statutory basis are gaining ground in people's minds, and so on. The areas opened and the experiences gained from these reforms, though rudimentary, have laid down a solid foundation for deepening the systematic pursuit of the personnel structure.

The regulations took shape under direct Central Committee and State Council leadership and continuously evolved alongside reforms in the cadre personnel system. Much discussion took place at high-level meetings. The premier's office has held two discussions after the Eighth National People's Congress. It took us roughly eight years to propose, investigate, study, draft, debate, review, conduct restricted experiments, supplement, perfect, train key personnel, and finally officially promulgate the regulations. The whole period was one of constant attempt to put into practice Comrade Deng Xiaoping's demand of reforming the cadre personnel system, one that saw a continuous attempt to forge a union of scientific theories in personnel management with China's practical conditions, and one that combined the efforts of cadres and masses and the wisdom of all concerned. In this process, many experts, scholars, and new and veteran comrades at departments concerned and trial units did a large amount of work. It is not easy to formulate rules and regulations, nor is it easy—but even harder—to implement them.

We can see from the background and process that the establishment of a civil service is made an objective need by the pursuit of the party's basic line and is a significant move for reforms in cadre personnel system. Since we had a secure footing in the way of practice and extensive

support among the people, the promulgation of the regulations was timely and the regulations themselves are practicable. Of course, we will proceed step by step, and it takes a process to reach our objectives.

The Purpose of Establishing a Civil Service System

The purpose of establishing a civil service system is to manage scientifically and according to law, through rules and regulations, government personnel exercising state powers and performing civil services. The 14th party congress formally set the objective of establishing a socialist market economic system in our country. This dictates parallel reforms and changes in various management structures and systems, including the personnel management system, to meet changes in the situation. **The establishment of a civil service marks the first step toward a new personnel administrative system in a state administrative structure with Chinese characteristics.**

First, build a civil service with which to provide a system of separate administration on cadres in the bureaucracy. The establishment of a separate personnel system that conforms to the characteristics of a bureaucracy will help with the revamping of the cadre structure, boost cadres' political and vocational qualities, strengthen the chain of command within the government, and help overcome bureaucratism. It will also raise administrative efficiency, enable us to meet our country's need to reform, open up, and develop a socialist market economic system, promote social progress, and provide an organizational guarantee for the party's basic line.

Second, the establishment of a civil service helps the clean-government drive. The keys to the clean government drive are improving the quality of the work force and institutional restraints. To a certain degree, a civil service is a mechanism to realize these two things. Civil servants will become better through recruitment-purpose examinations, strict work appraisals, and regularized training. They will be constrained and encouraged to observe law in work and stay clean by provisions spelling out their obligations and rights, disciplinary actions, areas of conflict of interest, and the complaint and grievance redress mechanisms. Through impersonal and statute-governed administration, we can avoid unhealthy practices in personnel appointment. Therefore, a civil service will actively promote the clean-government drive in the bureaucracy.

Third, a civil service can promote the trend of putting personnel administration in the bureaucracy on a scientific and statute-governed basis and will have a positive and encouraging effect on personnel reforms in other organs, enterprises, and nonprofitmaking units.

The Guiding Principles for the Civil Service

The civil service in our country will uphold the following guiding principles:

First, it upholds the basic line of taking economic construction as the central task, the four cardinal principles,

and reform and opening up. This is a fundamental guiding principle for the effort to build a civil service and it underlines the general principles of the regulations, the civil servants' obligations and rights, and various administrative links. The civil service is established and enforced to achieve the objectives of consolidating the regime, maintaining long-term law and order in the country, developing reform and opening up, liberating and developing productive forces, improving the economy, and concentrating the bureaucracy on serving wholeheartedly the people.

Second, it inherits and develops our country's fine tradition in cadre personnel management. We have accumulated much experience in cadre management over the years, such as the principle of placing cadres under party rule, hiring only people with expertise and integrity, merit-based appointment, and devotion to serving the people. The proposed civil service system has absorbed and carried forward this experience and traditions that have proved so effective in decades of revolution and construction, and has applied them fully in various administrative areas.

Third, it absorbs the successful experience in the decade-long reform in the cadre personnel system. In reforming the personnel system, we have explored and summed up recent experiences which have proved more fruitful, such as setting the principle of "four transformations," putting in place a standard retirement system, introducing the element of competition in personnel management, and instituting a hiring system, recruitment-purpose examinations, and conflict of interest avoidance, and so on. The pursuit of reforms has provided us with experience for setting up a civil service, which in turn will absorb this experience to regularize and institutionalize itself in order to consolidate and develop the fruits of reforms.

Fourth, it takes from foreign countries some of their positive experiences and practices in personnel management that may suit our national situation. There used to be civil examinations in China. Civil service is an achievement of human civilization, in which many of the scientific management methods can be readily shared by different countries. But a civil service is, after all, part of the superstructure and bound to be in tune with the economic and political structures of its country. We may, under the premise of upholding a civil service that adapts to the Chinese national situation and carries Chinese characteristics, learn and take reference from good scientific management experience and practices from foreign countries, such as the principles of openness, competition, and statutory administration of civil servants. But we will not adopt those management principles and systems that are derived from the needs of a capitalist system.

The Characteristics of a Civil Service

One, the principle of separate administration. Comrade Jiang Zemin urged: "Speed up reforms in personnel and

labor systems, and gradually build and perfect a scientific divisional administrative system and an effective incentive mechanism equally applicable to the bureaucracy, enterprises, and nonprofitmaking units." Since a civil service is created mainly to staff government bureaucracy and is distinguished from personnel management in enterprises and nonprofitmaking units, it will naturally change the centralized and single-model type management. For this reason, the establishment of a civil service marks the beginning, not only of a new personnel management system in state bureaucracy with Chinese characteristics, but also a system of separate personnel management.

Two, a scientific incentive and competition mechanism. Civil servants are recruited through open examinations, strict appraisals, and merit consideration. There will be strict performance appraisals whose results constitute the basis of consideration, and regular procedures for reward, punishment, training, transfers to higher duties, promotion in posts and grades, and pay raises, so that civil servants are all liable to promotions and demotions, and thus are motivated and creative. This is to overcome the situation in which "performance, whether good or bad, makes no difference."

Three, a functioning metabolism. On the one hand, to maintain quality, the civil service will be strictly impartial in recruitment and will uphold the principle of openness and competition in selecting distinguished personnel to staff the service. On the other hand, in building a standard retirement scheme, it must provide personnel mobility by installing an open recruitment system for certain posts, devising a ladder-like scheme specifying the retirement age for different posts, and allowing for resignations and separations, so that personnel enter and leave the service, which will strengthen its dynamism and vitality.

Four, the requirement of diligence and honesty as restraint mechanisms. Diligence and honesty are two basic requirements on civil servants and underline various administrative areas such as the obligations, rights, discipline, recruitment, promotions, appraisals, reward, and punishment of civil servants. The conflict of interest avoidance and exchange systems will also be adopted to promote, in an institutional way, honesty and civil-mindedness among civil servants.

Five, a sound statutory system. Apart from the general regulations, that is, the "Interim Regulations on Civil Servants," the civil service will also have other individual rules and regulations and ordinances for implementation. All this will form a relatively sound statutory system for civil servants to rely on.

The Main Features of the Civil Service

The "interim regulations on civil servants," as a general code for the civil service, consists of 18 chapters and 88 articles giving clear provisions on entry to the civil service, retirement, and various administrative areas.

"Points of entry" to the civil service will be tightly guarded by a system of open recruitment following the principle of openness, equality, competition, and merit. A combined method of examination and performance appraisal will be adopted to ensure the quality of personnel entering the service.

In management, there will be strict management and requirements on civil servants. Appraisals will discover how well a civil servant has performed his duties and the results will be tied to decisions of reward, punishment, promotion, and demotion. This will form an incentive and competition mechanism encouraging civil servants to work dutifully and diligently. The regulations also have provisions on the obligations, rights, discipline, and conflict of interest avoidance for civil servants to promote greater diligence and honesty among them. Management will also feature demanding and systematic training and personnel exchanges to gradually raise civil servants' political and professional quality. In particular, to attract and keep talented personnel, especially young ones, and to raise standards and efficiency, there is a new pay system tying a civil servant's pay with his position and labor.

In "points of exit," through open recruitments, age ladders, resignations, separations, and retirement in employment areas, the civil service will achieve mobility among civil servants and expand the "exit points," helping and strengthening the dynamism and vitality of the bureaucracy.

The Implementation of the Civil Service System

The regulations are the product and result of our country's personnel reforms. Their promulgation marks the appearance of a set of basic rules and regulations for personnel management in government bureaucracy. As the State Council will provide detailed planning and steps to put the regulations into effect, we confine ourselves to preliminary ideas and suggestions. At present, the Ministry of Personnel is drafting related papers and provisions on, for example, the scope and steps of implementation and duties for non-leadership positions, with the aim of implementing the regulations effectively. Therefore, after the promulgation of the regulations, we are faced with the even longer and heavier task of strict and all-round implementation. Because the pursuit of a civil service necessitates a change in personnel management in government bureaucracy, which, moreover, is being conducted against the specific background of bureaucratic reforms and streamlining, the implementation of such a program requires, from the outset, a centralized plan, coordinated arrangements, and implementation in a supervised, organized, planned manner. **In actual implementation, we should distinguish between different parts of the regulations.**

In principle, those premised on reforms in the bureaucracy and wage systems, for example the creation of posts, the work to turn current personnel into civil servants, and grade determination, should be put into

force in conjunction with bureaucratic reforms and the unveiling of a new pay system. The rest, in principle, should be pursued actively and soundly as of the day when the regulations come into effect, taking in all the practical conditions in personnel management. This way, it will take about three years to put the regulations into effect across the country and build and gradually perfect a new personnel management based on the various requirements in the regulations.

For now, the implementation of the regulations in combination with bureaucratic reforms should concentrate on convergence, transfers, and transition and provide specific arrangements tailored to local conditions and based on Central Committee's requirements and State Council planning. To ensure that the regulations are implemented well and in an orderly fashion, we, the Ministry of Personnel, suggest units make some preparations, mainly consisting of propagating and educating people in the regulations and their study and discussion to get people to understand their spirit, spelling out the policies, forming a task group for launching the civil service, training essential members for the job, and drawing up specific implementation plans for themselves. Units pursuing bureaucratic reforms should be ready with measures to give placements to redundant personnel.

The pursuit of the civil service impacts directly on the personal interests of vast numbers of bureaucratic workers. Therefore, its implementation must be conducted under the unified leadership of the party committee and governments and in strict accordance with the specific requirements of the principles in the regulations, implementation programs, and related rules and regulations. At the same time there should be a strengthening and improvement in ideological and political work to ensure that this significant reformist measure is conducted smoothly.

Central Agency To Recruit Director by Open Examination

HK0109063793 Beijing CHINA DAILY in English 1 Sep 93 p 3

[Text] The State Commission for Economic Restructuring invites applications from the public in its recruitment of a director for affiliate Research Institute of System Reform and Management.

This is the first time that a central government agency has sought to fill the director's position by open examination, according to yesterday's China Business Times.

A month ago, the Institute of Geophysics under the Chinese Academy of Sciences (CAS) first announced the decision to select its director from the public. It was widely hailed as a innovative step.

The recruitment of the head of a research institute directly under a State commission is moving a step further to promote overdue reform of the cadre employment system.

Amid the reform, more and more Chinese senior cadres are being selected through public examination and competition, instead of internal appointment from higher authorities.

The applicants will undergo qualification checks, take a written exam and face an oral defence. The top candidate will pass a one-year trial enrollment before winning the official nomination from the commission.

The new director picked from outstanding young or middle-aged cadres, is required to know economic theory, have a rich background in economics, and strong leadership skills.

Founded in August 1991, the research institute works directly under the commission and completes theory and policy studies for economic system reform and economic management. It also offers economic reform information and economic management consultancy services.

Reportage on RENMIN RIBAO Circulation, Coverage

Meeting Views Improving Distribution

HK0109050293 Beijing RENMIN RIBAO in Chinese 23 Aug 93 p 1

[By reporter Yue Furong (1471 1381 2837): "The Central Propaganda Department, the Ministry of Posts and Telecommunications, and RENMIN RIBAO Jointly Hold a Meeting To Discuss Ways To Improve the Distribution of RENMIN RIBAO Next Year"]

[Text] From 15 to 19 August, the Propaganda Department of the CPC Central Committee, the Ministry of Posts and Telecommunications, and the RENMIN RIBAO office held a work meeting on the national distribution of RENMIN RIBAO, which conveyed the recent important instructions of Jiang Zemin, general secretary of the CPC Central Committee, and Ding Guangen, member of the Political Bureau of the CPC Central Committee and director of the committee's Propaganda Department, on the work on RENMIN RIBAO, including its distribution; summed up and exchanged experience in the work; analyzed the new situation facing the work of the newspaper; and set specific measures to do a good job of the distribution of the newspaper in 1994.

Gong Xinhan, deputy director of the central Propaganda Department, made a speech at the meeting on behalf of his department. He said: In the new historical period, under the correct leadership of the party Central Committee, RENMIN RIBAO is undertaking the important task of comprehensively and correctly propagating the

party's theory, line, and policies, reporting the experience and successes in China's socialist modernization, and reflecting the people's demands and voice. It occupies an extremely important position and shoulders a great responsibility. It is necessary to run the newspaper well and promptly convey the voice of the party Central Committee to all corners of the motherland so as to encourage the whole party and the people all over China to work hard with one heart and one mind to speed up the pace of reform and opening up to the outside world and concentrate forces on developing the economy. The greater the number of readers of RENMIN RIBAO, the more important the role it will play. We must uphold the interests of the party, the state, and the people and correctly understand the importance of doing a good job of the distribution of RENMIN RIBAO. He hoped that together with departments such as the Ministry of Posts and Telecommunications, party committees and propaganda departments at all levels would do a good job of the publicity and distribution of RENMIN RIBAO and heighten its publicity effect.

In his speech, Liu Pingyuan, vice minister of posts and telecommunications, pointed out: Posts and telecommunications departments constitute an important link in the sound distribution of RENMIN RIBAO. He urged employees of the posts and telecommunications departments throughout the nation to deepen their understanding of the importance of the subscription to and distribution of the newspaper, conscientiously analyze the situation in its distribution next year, pay close attention to the subscription to and distribution of major newspapers, in particular RENMIN RIBAO, offer ever better services, speed up the delivery of RENMIN RIBAO, and heighten the effectiveness of its distribution.

At the meeting, Yu Youxian, director of the State Press and Publications Administration stated: Now newspapers are quite numerous in quantity and variety. The State Press and Publications Administration, from the angle of newspaper management, must help relevant departments concentrate efforts on doing a good job of the distribution of party newspapers and publications, in particular RENMIN RIBAO.

On behalf of the RENMIN RIBAO office, Director and Chief Editor Shao Huaze expressed his sincere thanks for the great contributions made by the vast number of cadres and employees of propaganda departments and posts and telecommunications departments to the distribution of RENMIN RIBAO. He said: Since the 14th CPC National Congress, the party Central Committee has attached extremely great importance to and showed concern for and given support to RENMIN RIBAO, and issued a series of important instructions on the newspaper's publicity and reporting and its development. The party Central Committee's attaching importance to and showing concern and rendering support for the work of the newspaper has thus greatly encouraged the entire working personnel of the newspaper office. Now we are

thoroughly studying central leading comrades' instructions and conscientiously implementing them in our work. Comrade Shao Huaze said: The key to further expanding the distribution of RENMIN RIBAO lies in further running the newspaper well. 1) Offer better guidance, deepen study, understand the spirit of central leaders' instructions, keep abreast of what is going on in various localities and departments, and publish more highly directional statements, articles, and reports; 2) make the newspaper more informative and readable and strive to turn it into a newspaper which has a correct orientation and rich contents and which the people like to read; and 3) heighten the effectiveness of the newspaper's distribution. RENMIN RIBAO will continue to strive to heighten the effectiveness of its distribution and its printing quality by using scientific means.

Wang Qianghua, deputy director of the State Press and Publication Administration; Yi Zhiliang, director of the Fourth Secretariat of the General Office of the State Council; and others also delivered speeches at the meeting. Present at the meeting were comrades in charge of propaganda departments and posts and telecommunications departments of various provinces, autonomous regions, municipalities, and cities enjoying provincial status within the state plan throughout the country and representatives of the advanced units in the distribution of the newspaper. At the meeting, the advanced units in the distribution of the newspaper in 1993 were commended.

Tuesday, Friday Edition Size Increased

HK0209111493 Beijing RENMIN RIBAO in Chinese
23 Aug 93 p 1

[Report: "RENMIN RIBAO To Carry 12 Pages on Tuesdays and Fridays, Beginning in October"]

[Text] To meet the needs of reform, opening up to the outside world, and socialist modernization, and to satisfy the needs of the reading public, RENMIN RIBAO will carry 12 pages on Tuesdays and Fridays and 8 pages in the other days, beginning in October 1993. After having its pages increased, it will continue to uphold the orientation of opinion; concentrate efforts on major news, commentaries, and theoretical articles; and maintain a high-sounding style of integral unity. The newly added pages will be devoted to special sections—such as economic life; faxes from all corners of the country; contemporary youth; warp and woof of the legal system; the great nationality family; Taiwan, Hong Kong, and Macao; science and technology; health care; culture; and sports—so that the newspaper will become more informative, have the scope of its reporting expanded, and further keep close to the masses of people. The newly added sections of RENMIN RIBAO this year will be presented as gifts, free of charge, with its price unchanged.

Circular Urges Increased Circulation

HK0209111593 Beijing RENMIN RIBAO in Chinese
27 Aug 93 p 1

[Text] A few days ago, the General Office of the CPC Central Committee issued a circular, calling on localities to do their best to ensure the circulation of RENMIN RIBAO.

The circular said: RENMIN RIBAO is the official newspaper and mouthpiece of the party Central Committee and also the mouthpiece of the people of all nationalities throughout China. It is one of the major news media through which the masses of cadres and people understand the spirit of what is advocated and decided by the party Central Committee and the State Council, and serves as a "window" through which people outside observe and understand China. The newspaper, the guiding role of which has taken shape along with the passage of time, is an important means of opinion by which the party exercises leadership over the state. Its fundamental task is to promptly, comprehensively, and accurately propagate the party's theory, line, principles, and policies, and to maintain a correct orientation of opinion. Increasing the circulation of RENMIN RIBAO should be regarded as a serious political, rather than general professional task. In the last few years, the number of newspapers and publications of various types across the country has multiplied, and competition in the distribution of newspapers and publications thus has intensified. Under these circumstances, localities should try their best to ensure the distribution of party newspapers, and first of all, RENMIN RIBAO.

The circular urged: 1) Localities should attach importance to and strengthen leadership over the circulation of RENMIN RIBAO; the propaganda departments of the party committees should appoint specific leading comrades to take charge of the work and help solve problems in the newspaper's circulation. Above all else, they should support its circulation and strive for a considerable increase in the current circulation level. 2) Party branches in cities and towns, party committees at the township level in the rural areas, government organizations at all levels and mass organizations at the departmental level, and companies and units at the company level of the Army are required to subscribe to RENMIN RIBAO. Schools, enterprises, guesthouses, and other units are mobilized to subscribe to the newspaper on a voluntary basis. 3) Those that subscribe to newspapers with public money first must ensure the subscription of RENMIN RIBAO. Party branches can use party membership dues to subscribe to RENMIN RIBAO. 4) In their work to accept subscriptions of newspapers and publications, post offices at all levels in various localities should give prominent publicity to RENMIN RIBAO subscription, work out a plan for the circulation of the newspaper in 1994 and the coming five years, and ensure that there will be a considerable increase in the newspaper's circulation from the 1993 level.

LIAOWANG To Combine Domestic, Overseas Editions

HK3008123093 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 34, 23 Aug 93 p 2

[Announcement by LIAOWANG Weekly Office: "To Readers"]

[Text] In order to adapt to the development of China's reform and opening up and to demonstrate fully the strengths of LIAOWANG weekly's domestic and overseas editions, this press has decided to combine the domestic and overseas editions by publishing a combined-version LIAOWANG weekly in Beijing.

On the basis of the domestic edition, the overseas edition of LIAOWANG started publication in September 1984. Over a period of nine years, with the ardent concern and vigorous support of compatriots in Hong Kong, Macao, and Taiwan, as well as Overseas Chinese, it has been playing an increasingly large role as a window for the world to understand China and for China to understand the world during the new period of China's opening to the outside world, and it is recognized as an authoritative journal by overseas and domestic media. The combined-version LIAOWANG weekly will continue to implement the fixed editorial principle and strive to retain the characteristics and essence of reporting in the original overseas edition to make the weekly still richer in content.

It is planned that the combined-version edition will begin publication with the 40th issue of 1993 (on 4 October). The combined-version edition will continue to enlarge circulation on the mainland and will be available for commercial subscription abroad. For subscribers of the domestic edition and those of the original overseas edition, they will be sent the combined-version LIAOWANG weekly from Beijing from that issue onward. Supplements to the weekly, which currently are sent to overseas subscribers irregularly, will continue to be sent to them in the future. The solicitation of contributions and the special contribution program held in 1993 in the current overseas edition will continue as usual.

This press earnestly hopes that readers and contributors at home and abroad will continue to render us support and help.

[Signed] LIAOWANG Weekly Press
[Dated 16 August 1993]

Six Television Stations Launch Interregional Hook-Up

HK0109034293 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 1 Sep 93 p 5

[Report by John Frank-Keyes]

[Text] Six Chinese television stations have announced the launch of a new interregional hook-up for the simultaneous broadcast of networked programmes to more than 55 million potential viewers.

The City Network Corporation [CNC] will transmit between two and four hours of entertainment and current affairs programmes across the system each night.

Programmes will be taped in Guangzhou and distributed to the syndicate's member stations for co-ordinated broadcast.

A computerised system will allow the scheduling of commercials at varying times on each of the six stations.

The members of the corporation are Guangzhou Television (Guangdong Province), Chengdu Economic Television (Sichuan), Hangzhou Television (Zhejiang), Ningbo Television (Zhejiang), Nanjing Television (Jiangsu) and Harbin Television (Heilongjiang).

The syndicate expects to start broadcasting early next year.

The financial investment was not disclosed, but the six members are believed to have pooled resources on a proportional basis.

The general manager of City Network Corporation, Hua Chen, said: "The network will meet the increasing demand for quality entertainment programming and up-to-date information."

"It will also offer the advertising industry a cost-effective means of reaching its target audience."

Television advertising is growing exponentially in China. CNC figures show that expenditure on television advertising increased by 79 percent in 1991 and by 104 percent in 1992.

It was these huge surges in spending, together with the largely untapped buying power of China's 1.1 billion population, which attracted the syndicate partners. The six cities that form the consortium are among China's fastest growing.

"To cope with the growing needs of the market, CNC is pooling the expertise and resources of various disciplines," said Mr Chen.

"We believe we are laying a strong foundation for exploiting mass television coverage in China."

CNC has secured the assistance of a newly created company, Metro Communications Limited, in Hong Kong. Metro will produce programmes for the network and purchase, edit and dub foreign programmes.

Metro managing director Anthony Chen is expected to focus on the production of new material, drawing on his previous experience as an actor, singer and filmmaker.

His deputy, Chris Wong, who established TVB's [Television Broadcasts] advertising sales arm about 20 years ago, will be responsible for air-time marketing and sales.

The range of advertising packages will give regional options, but is likely to offer substantial discounts for buying full coverage.

The CNC programmes will be broadcast daily from 8 pm until midnight.

The launch announcement was made at the China Hotel, in Guangzhou.

Beijing's Chen Xitong Attends Forum on Mao's Birthday

SK0209100993 Beijing BEIJING RIBAO in Chinese 24 Aug 93 p 1

[By correspondent Li Qiao (2621 0829): "ZHENDI ZAZHI Holds Forum To Mark Mao Zedong's 100th Birthday"]

[Text] A few days ago, ZHENDI ZAZHI [Front Magazine] invited more than 60 specialists and scholars in Beijing to a forum to mark Comrade Mao Zedong's 100th birthday. The main subjects discussed at the forum were "Mao Zedong Thought and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics." Chen Xitong, member of the political bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Committee, attended and addressed the forum.

Chen Xitong said: We cherish the memory of Comrade Mao Zedong's great achievements and furthermore sense the greatness of Comrade Mao Zedong, a great man of a generation. To recall Mao Zedong, we should fully understand Comrade Deng Xiaoping's historical great achievements in inheriting and developing Mao Zedong Thought and the great significance of guiding the work in various spheres with the theory on building socialism with Chinese characteristics. What is the most important thing at present is to make efforts to study, grasp, and vigorously disseminate Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

Chen Xitong pointed out: Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the latest result of linking the basic Marxist theory with the reality of China, the Chinese Marxism of the current times, and the precious wealth of the people of all nationalities in the province. The more deeply and thoroughly we study this theory and the more accurately and comprehensively we understand it, the more consciously it guides our action and the more faster and better our reform, open, and modernization undertakings develop. We must make efforts to study and practice this theory and cautiously and conscientiously work to realize the strategic goal of modernization. Chen Xitong also pointed out that socialism is by no means poverty

but wealth. Under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the basic line of the party and under the leadership of the party Central Committee with Comrade Jiang Zemin as its nucleus, we should ceaselessly tide over the difficulties in the course of advance, speed up the setup of the socialist market economic system, lose no time to promote the economy, and realize, in a step-by-step manner, the strategic goal of three-step modernization.

Chen Xitong expressed heartfelt thanks to the specialists and scholars participating in the forum for their support to Beijing's theoretical work.

Some well-known specialists and scholars, including Gong Yuzhi, Jiang Liu, Xing Bisi, Sha Jiansun, Hu Zhaozheng, Wen Jize, Jiang Jiangming, Xiao Qian, Huang Nansen, and Zhao Fengqi, made speeches at the forum. They set forth valuable viewpoints and opinions on how to persist in and develop Mao Zedong Thought and how to arm the whole party with the theory on building socialism with Chinese characteristics and also pointed out some problems relating to the work in various spheres. Duan Bingren, Standing Committee member and secretary general of the Beijing Municipal CPC committee, attended the forum.

Science & Technology

Dayawan Nuclear Power Plant Goes Into Trial Operation

OW6109142793 Beijing XINHUA Domestic Service in Chinese 0226 GMT 1 Sep 93

[Beijing XINHUA Domestic Service in Chinese at 1015 GMT on 1 September transmits a service message canceling the following item and asking that it be replaced by an alternative version; differences between the two items are noted in brackets below]

[Text] Shenzhen, 1 September (XINHUA)—The No. 1 generating unit of the Dayawan Nuclear Power Plant in Guangdong, its reactor core having reached critical condition on 20 July (meaning the reactor started), has again successfully completed a series of necessary tests. At 2126 on 31 August, [variant version reads: ...on 31 August, the generating unit successfully generated electricity by linking up with other power networks. The combined network.... (deleting identification of other networks)] when the turbine generating unit, powered by steam from the reactor, reached 3,000 revolutions per minute, it generated electricity with nuclear power for the first time by linking up with the power networks in Guangdong and the Zhonghua Electric Power Company in Hong Kong. The combined network capacity is 45,000 kilowatts. [variant version reads: ...is 45,000 kilowatts. [new paragraph]

[Yesterday evening, Premier Li Peng sent a congratulatory message to the Dayawan Power Plant: "I am glad to

hear that the No. 1 generating unit of Dayawan Nuclear Power Plant has begun generating electricity by linking up with other power networks. I want to extend my warm congratulations to all those involved in the construction of the plant. I hope you will continue to make persistent efforts and successfully complete your trial operations."

[Dayawan Nuclear Power Plant is the largest Chinese-foreign joint venture project since China started reform and opening up to the outside world. The power plant was built in cooperation with the Zhonghua Electric Power Company Limited in Hong Kong. With its technology and equipment imported from foreign countries, the power plant meets the advanced international standard of the later 1980's.

[Dayawan Nuclear Power Plant is equipped with two 900,000-kilowatt pressurized-water reactor generating units. The first layer of concrete for the No. 1 generating unit was completed on 7 August 1987, and on 7 April 1988 for the No. 2 generating unit. The entire project will be completed in June 1994. The No. 1 generating unit will go into commercial operation by the end of 1993.

[Dayawan Nuclear Power Plant currently has the largest capacity of any nuclear power plant in China. After the two generating units go into commercial operation, their annual generating capacity will reach 10-12 billion kwh. (adding paragraphs; deleting the following final two sentences of the original item, starting with "According to the" and ending with "of capacity experimentation.")] According to the requirements of the experimental outline, tests will continue after the power network linkup. The unit is expected to go into commercial operation by the end of this year after completing all stages of capacity experimentation.

China Targets 2010 for Domestic Space Shuttle

HK0209110193 Hong Kong AFP in English 1011 GMT 2 Sep 93

[Text] Beijing, Sept 2 (AFP)—China has the capacity to put its first space shuttle into orbit before 2010, even though it has yet to attempt a manned mission, an official newspaper reported Thursday. According to the Beijing Youth News, because of fiscal constraints China would use as a blueprint France's shuttle, which at 21 tonnes is less than half the weight of the 50-tonne U.S. shuttle. The French model is capable of carrying a payload of 1.8 tonnes, compared to 27 tonnes for the U.S. shuttle, the paper said. It said China has the propulsion, air dynamics and structural intensity know-how, but lacked the required technology on avionics, payload and control and electrical systems. Some of the electrical systems could be imported, while the rest could be made domestically, the paper said. "Before 2010, China's space shuttle will be launched," the report said.

China successfully launched a rocket carrying a puppy into space in the 1960s, but research on manned space

flights is only preliminary and is being carried out largely by the Shanghai New China Machinery Factory. China successfully launched a retrievable scientific experiment satellite in October 1990, with larger animals on board and scientists here say the country basically has the ability to send a man into space. China has also announced its intention to set up a space station.

Military

Senior Military Cadres on Army Building

HK3008031693 Beijing JIEFANGJUN BAO in Chinese
19 Aug 93 p 1

[Article by staff reporter Jiang Yonghong (3068 3057 4767) and special correspondent Jing Shuzhan (2529 2116 1455): "A Guide to Army Building Toward the 21st Century—Roundup of a Discussion by Some Students at the Rank of General in the PLA National Defense University on Deng Xiaoping's Thinking on Army Building in the New Period"]

[Text] When the great strategist Deng Xiaoping first stood out from the disasters of the Cultural Revolution back in the mid- 1970's, he did not even wait till all the wrongs done him were cleared before beginning to deal with the overstaffed condition of the Army, thus starting the motor of army reform. When he took the office of Central Military Commission vice chairman, concurrently chief of the General Staff, and later chairman of the Central Military Commission, he made a series of incisive discussions on army building which have gradually shaped into an integral scientific system—Deng Xiaoping's thinking on army building in the new period.

Strategic Decision That Has a Bearing on the Nation's Rise or Decline

Reviewing the period of the mid-1980's, when the People's Liberation Army [PLA] was experiencing strategic change in the guiding idea on army building, some students at the rank of general in the PLA National Defense University came to see with greater profundity the great significance of Deng Xiaoping's thinking on army building in the new period. Unanimously, they believed that changing from the strategy of being ready "to fight a war early, to fight a great war, and a nuclear war at that" to building a modern, regularized, revolutionary army in peacetime was a great historical change to ensure the PLA would successfully enter the 21st century.

A correct decision derives from correct judgment, which in turn derives from scientific analysis of the situation, by discarding the dross and selecting the essential, eliminating the false and retaining the true. Major Generals Xiao Xuchu [5618 2485 0443], and Zhou Chengke [0719 2052 4430] said that, even before the arms race between the two superpowers—the United States and the Soviet Union—stopped, Comrade Deng Xiaoping had seen peace and development, the world general trend from a

high plane, and lost no time in setting out the strategic change in the guiding idea on army building in 1985, which has gone along the tide of historical development. Consequently, China's army building has entered a new historical phase.

The strategic change in the guiding idea of army building has a bearing on the PLA's success or failure and rise or decline, as well as the fate and future of our state and nation. Reviewing history, Major Generals Huang Yonghua [7806 3057 5478] and Xiao Xuchu said that at that time, a cold fact was placed before the PLA, namely, when we were exhausted in dealing with the requirements under the guiding thought of being ready to "fight a war early, fight a great war, and a nuclear war at that," the gap between our country and the developed countries widened. Backwardness means being bound to be beaten! Comrade Deng Xiaoping stood at a historical commanding height and set forth the strategic change in the guiding idea on army building, and indicated the orientation for the PLA to develop itself, thus making the PLA invincible.

The strategic change in the guiding idea on army building is an important component of the whole strategy of the state. Linking to the realities of their own units, Colonel General Kang Zhenghao [0073 2973 3185], Ma Fengshan [7456 7685 1472], and Zhao Guimao [6392 6311 0602] said that the level of arms and equipment of high-tech units would focally reflect the economic, scientific, and technological strength of a country as a whole. Deng Xiaoping's thinking on army building during the new period taking the overall situation of national economic construction as the main content falls in line with the actual conditions of the nation and the Army. Facts show, and will continue to show, that with the growth of China's comprehensive national strength, the arms and equipment of the People's Army will also be improved, and PLA combat effectiveness will certainly be rapidly elevated.

The Inevitable Road Leading to Victory

Deng Xiaoping's thinking on army building during the new period has stipulated the goal of army building, which is to build our Army into a powerful, modern, regularized, revolutionary army. To achieve this goal it is imperative to firmly attach importance to quality and take the road of building select troops with Chinese characteristics. Colonel General Huang Yonghua said that in a certain sense, the Gulf war that took place in the 1990's was a practical and vivid footnote to Comrade Deng Xiaoping's many discussions, and a reference for us to have a profound grasp of Deng Xiaoping's thinking on army building during the new period. The role of science and high technology in modern warfare is increasing, as are calls for corresponding modern arms and equipment, modern establishment and structure, modern logistics, modern men, and a modern command system. To achieve all this, it is imperative to take the road of select troops.

Linking their units to realities, the student generals profoundly felt that taking the road of select troops with Chinese characteristics has brought vitality and vigor to the troops.

Colonel General Kang Haohai said that the period from the beginning of the 1980's up to the present can be said to be the best period for building the Navy. Weighed by the criterion of combat effectiveness, the degree of modernization of the Navy has increased with each passing day, and the number of Class-A vessels has grown with each passing year. Cadres at and above regiment levels were basically up to the criteria for commanders through strict training. The student generals believed that, so long as they continue on the way indicated by Comrade Deng Xiaoping, they are sure to realize the goal of building a powerful, modern, regularized, revolutionary army.

Do Away With Interference, Advance Toward the Future

During the discussion meeting, the student generals said that Deng Xiaoping's thinking on army building during the new period was the inheritance and development of Marxism-Leninism-Mao Zedong Thought, and the offspring of reform and blazing new trail, and a good job must be done in its implementation. At the same time, interference of all sorts must be done away with.

Such interferences sometimes come from old habits and old thinking. Comrade Deng Xiaoping said, "I am for reform; there will be no way out without reform." However, whenever problems crop up, we are liable to deal with them with old ways and old thinking. Because of the long-range negative effects of Lin Biao and the gang of four, many old ideas and methods were tainted with "leftist" coloring. The student generals cited the conditions by which some "leftist" practice staged a comeback several years back, and believed that there was "a need to treat new things with new thinking"; only then would it be possible to consciously implement Deng Xiaoping's thinking on army building during the new period.

Sometimes such interferences came from the lopsidedness in our way of thinking. Citing an example, Colonel General Peng Cuifeng [1756 5050 1496] stated that when implementing the strategic change in the guiding idea on army building, some people had the understanding that it was unnecessary to make preparations for war any longer, thus relaxing their concept of war preparations. That was entirely a lopsided understanding. In actual fact, in the wake of implementing strategic change, the requirements on army building were not lowered, but heightened. To meet the requirements of modern war, there are many pressing needs to fulfill. That being the case, overcoming lopsided thinking is the prerequisite for implementing Deng Xiaoping's thinking on army building during the new period.

Sometimes such interferences came from the conflicts between partial interest and that of the overall situation, and between immediate and long-range interests. General Jiang Futang [1203 4395 1016] said that a conspicuous characteristic and law governing army building in the new period was its long-range plan; however, in practical work, such malpractices as paying attention to partial and immediate interests while neglecting the overall and long-term interest would surface, and that was not conducive to long-term army building.

Advance in the Face of Difficulties, Work Hard To Accomplish Something

Linked to the realities of their units, the student generals, including Jiang Futang and Luo Youli [5012 2589 4409], believed that to study Deng Xiaoping's thinking on army building during the new period, it was imperative to stress emancipating the mind and work hard to accomplish something. It was necessary to emancipate oneself from maintaining the status quo and from waiting and relying on the higher-ups.

Having cited the example of a certain division under the Jinan Military Region, General Jiang Futang wondered why some units should have been successful in building a modern, regularized, revolutionary army, but others should have failed under the same conditions. Obviously, that involved an issue of one's spiritual state and the question of whether or not one was being wholehearted in army building. That being the case, whether or not one works hard to overcome difficulties in practice was the key to success on the basis of profoundly grasping Deng Xiaoping's thinking on army building during the new period.

On the basis of voluminous survey and study, Colonel General Luo Youli wrote a survey report on how to augment the building of motorized troops, in which he analyzed four basic contradictions that affected and restricted motorized troops. One of the contradictions was that "the qualities of personnel do not comply with advanced arms and equipment." He said that to implement Deng Xiaoping's thinking on army building during the new period, one should refrain from seeking quotations or simple equivalents from Comrade Deng Xiaoping's discussions, but learn Comrade Deng Xiaoping's stand, concepts, and approaches in observing and handling issues to resolve problems by proceeding from the actual conditions, in a down-to-earth way, one after another.

The troops' combat effectiveness should be improved in a down-to-earth way. The student generals stated that as PLA senior cadres, they should play an exemplary role in studying and practice. They said that so long as they firmly continue on the way indicated by Comrade Deng Xiaoping on army building during the new period, the People's Army would certainly march into the 21st century with a brand new feature!

Assigning of Jobs to Demobilized Soldiers Urged*OW0209021193 Beijing XINHUA in English 0138
GMT 2 Sep 93*

[Text] Beijing, September 2 (XINHUA)—The State Council and the Central Military Commission of China have approved and issued a document on reform of policies on placement of demobilized soldiers.

The document was drafted by the Ministry of Civil Affairs, the Ministry of Labor and the headquarters of the General Staff of the People's Liberation Army (PLA).

The document says that as the drive to restructure the country's economic system goes deeper, especially since the State Council promulgated "The Regulations on the Transformation of the Operational Mechanism of State-Owned Industrial Enterprises", enterprises are gradually adopting the contract system in employment.

In order to benefit both the country's economic development and national defense, the employment of demobilized soldiers should also conform with the contract system from this year on.

In those units which have not carried out the reform, the placement of demobilized soldiers will follow the usual policies.

In the past, demobilized soldiers were usually assigned permanent jobs.

The document also says that proper arrangements should be made for placement of wounded, sick and handicapped demobilized soldiers.

Attention should also be paid to ensuring the provision of pensions, unemployment insurance and housing of demobilized soldiers, it stresses.

Guizhou Military District Holds Party Congress*HK3008114593 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 23 Aug 93*

[Text] The Ninth CPC Congress of the Guizhou Provincial Military District opened in the provincial military district assembly hall yesterday afternoon. The task of this party congress is to examine and approve the report of the eighth provincial military district party committee and the work report of its commission for discipline inspection, elect the ninth provincial military district party committee and its commission for discipline inspection, and elect the delegates to the Seventh Chengdu Military Region CPC Congress and to the Seventh Guizhou Provincial CPC Congress.

Zhu Qi, commander of the provincial military district and executive chairman of the party congress, presided over the opening ceremony. Yu Zhonggui, political commissar of the provincial military district, delivered a report to the meeting on behalf of the provincial military district's eighth party committee. In his report, he

reviewed the provincial military district party committee's achievements in fully enhancing party building, improving army quality, strengthening work on the reserves and militia, and [words indistinct] over the past five years.

In discussing the tasks for the coming five years, Yu Zhonggui pointed out in his report: The tasks of the provincial military district party committee are to fully implement the basic party line, arm their minds with the theory of building socialism with Chinese characteristics, and insist on taking the path of building the best armed forces with Chinese characteristics, gearing them to the needs of modern warfare and ensuring that the Army is politically qualified and militarily competent, has a fine work style, adheres to strict discipline, and is guaranteed adequate maintenance and supplies.

He said: The reserves' capability to deploy rapidly and fulfill tasks is constantly being improved, new developments are being achieved concerning the implementation of the militia work in the organizational, political, and military aspects. In order to promote local economic construction, maintain social stability, and strengthen the unity between the Army and the government and between the Army and the people, efforts are being made to make progress in building the armed forces and the reserves throughout the province.

Provincial party Secretary Liu Fangren attended the meeting. Leading party and government comrades, such as Wang Chaowen, Chen Shineng, Zhu Gang, Long Zhiyi, Zhang Shukui, and Liu Yulin, and representatives from the Chengdu Military Region, made trips to the assembly hall to offer their greetings.

Hainan Secretary Addresses Military District Conference*HK3008144493 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 23 Aug 93*

[Excerpts] On 23 August, the Hainan provincial military district's seventh CPC representative conference was solemnly opened. Ruan Chongwu, provincial CPC committee secretary and first secretary of the Hainan Military District CPC Committee, and military district leaders, including Xiao Xuchu, Gong Pingqiu, Zhang Deren, Liu Chengbao, Zhou Chuantong, Li Derong, Wu Fenglong, and Zhu Jifa, attended the conference.

The main topics on the agenda of this representative conference are: With the spirit of the 14th National CPC Congress and the enlarged meeting of the Central Military Commission as the guide, to conscientiously study and implement Comrade Deng Xiaoping's thinking on army building in the new era; sum up the positive and negative experience of the party committee in its endeavor to improve itself and guide army units in their comprehensive building in the past six years or so; set the objectives and work plans for some time to come; and elect the new party committee and discipline inspection committee of the military district. [passage omitted]

Ruan Chongwu, provincial CPC committee secretary and first secretary of the CPC committee of the military district, made a speech. He said: In strengthening party building, it is imperative to equip our minds with Comrade Deng Xiaoping's thinking on army building in the new era and make sure that the Army always obeys the orders of the party. In strengthening party building, it is imperative to reinforce party organizations and strive to enhance the cohesiveness and fighting capabilities of the party committees at all levels. In strengthening party building, it is imperative to adhere to the principle of the party controlling the armed forces, make substantial efforts to do a good job in the work on militia and reserve forces with prompt effect, and conscientiously do a good job of the double support work.

Zhou Chuantong made a speech on behalf of the sixth discipline inspection committee. A total of 128 representatives from various posts of the units in the military district attended the conference.

Xinjiang Defense Technology Seminar Reported

OW0109131293 Urumqi XINJIANG RIBAO in Chinese 17 Aug 93 p 1

[Report by correspondent Du Xianzhou (2629 3759 3166): "Learn To Master High Tech, and Step Up Modernization of Army Units—A Requirement Raised by Pan Zhaomin in His Speech at the Closing Ceremony of a Seminar on High-Tech Knowledge Sponsored by the Military District"]

[Text] At the 13 August closing ceremony of the first seminar on high-tech knowledge sponsored by the Xinjiang Military District, Pan Zhaomin, deputy political commissar of the Lanzhou Military Region and concurrently political commissar of the Xinjiang Military District, stressed that the military district's leading cadres and leading bodies at all levels must proceed from winning a regional war under high-tech conditions to understand, learn, and master high tech and to step up the modernization of army units in an all-round way.

The seminar invited professors and experts from the Ministry of Foreign Affairs, the Intelligence Department of the General Staff Department, and the University of Science and Technology for National Defense to give lectures on current military high-tech knowledge in the world, and they viewed videotapes on the Gulf War. Over 300 cadres at and above regiment-level from the leading bodies of the Xinjiang Military District and Air Force units stationed in Xinjiang, and from Xinjiang Military District's units stationed in Urumqi, participated in the seminar in order to learn. They broadened their horizons, understood high-tech knowledge, and enhanced their sense of urgency for the modernization of Army units.

At the end of the seminar, Pan Zhaomin said: We must have a profound understanding of the guidelines of the

instructions given by the leadership of the Central Military Commission on intensifying the study of high-tech knowledge and enhance our sense of urgency and sense of undertaking a mission.

Pan Zhaomin called on all Army units to closely integrate the study of high tech with specific work and with carrying forward the fine tradition of our Army, conscientiously conduct new tactical exercises, make efforts to develop a combat method for winning a regional war with existing equipment under high-tech conditions, train a number of commanders competent at fighting a war under high-tech conditions, and practically enhance the combat capability of all units under the Xinjiang Military District under high-tech conditions.

Pan Zhaomin also required that cadres at all levels and, in particular, leading cadres and leading bodies at and above the level of division, must look upon the study of high-tech knowledge as an obligatory course and should strive for a comparatively great enhancement of the level of their own knowledge about science and technology in order that they may effectively guide and control a regional war under high-tech conditions and accomplish all of the missions assigned to the units in our district by the Military Commission.

Economic & Agricultural

Zou Jiahua Calls For Cuts in Capital Investment

OW0109183893 Beijing XINHUA in English 1552 GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—Chinese Vice-Premier Zou Jiahua has called on localities and departments to take firmer measures to slash the scale of capital investment in tune with the central government's policies.

Addressing a national work meeting here today, Zou put forward new requirements on carrying out the central government's series of policies on capital investment.

He pointed out that the measures taken by the central government to strengthen the macro-control of economy have been effective in the first stage. Some prominent problems in the economy are being solved. But the achievements should not be over-valued. It is still an arduous task to solve the salient conflicts and problems in the economy, he said.

The vice-premier confessed that, though progress has been made in controlling the scale of capital investment and restructuring investment in fixed assets, more resolute actions have yet to be taken in this respect. He said that some construction projects that should be halted or postponed are still going ahead, the scale and scope of construction are still over-sized, and funds for key construction projects still lack guarantees. He said that the continuing of such problems will have a negative effect on both localities and the economy as a whole.

Zou called on localities to conform both in word and deed to the central government's policy of strengthening macro-control of the economy, and take resolute and forceful measures to solve the problems in the capital investment sector.

Zou emphasized that attention should be paid to the following aspects in the macro-control of capital investment.

- Localities should re-examine all the ongoing construction projects. They should halt or postpone the projects that are in conflict with the central government's policies for capital investment, lack assured or legal sources of funds, lack necessary conditions for construction or have no obvious market. They should shift funds to secure key construction projects, especially the projects that are scheduled to be put into operation within this year.
- Strictly control [as received] should be placed on the size of investment in the projects that are continuing, especially on the number of projects to be started. This year, except for a few key construction projects approved by the State Council, all localities and relevant departments and authorities should stop approving any new construction projects. The right to approve construction projects should not be relayed from higher to lower authorities without discrimination.
- Macro-control should be strengthened over the real estate sector and economic development zones. Localities should investigate all kinds of real estate development companies, and eliminate those that cannot meet the conditions and requirements of the government regulations. They should resolutely put a full stop to speculation in the real estate sector.
- Sources of funds being raised by localities should be regulated. Now some of the sources of fund raising fall outside the designated scope. In light of the new situation, localities should define the sources of funds on a strict and standardized basis. The supervision and management of foreign loans should be strengthened.
- The shape of capital investment should be further reformed. This is the fundamental way to solve the problems of excessive demand for investment, unreasonable investment structure and disarray in the investment sphere. More efficient work should be done to develop a readjustment mechanism of the scale and structure of investment of the whole of society, including a regulatory mechanism of sources of funds and risk-proof mechanism for construction projects. Legislation in this respect should be enhanced. In addition, a nationwide register system of construction projects should be set up as soon as possible.

XINHUA: Overall Industrial Efficiency Improves

OW0109070493 Beijing XINHUA Domestic Service in Chinese 1116 GMT 21 Aug 93

[Text] Beijing, 21 Aug (XINHUA)—The State Statistics Bureau, the State Planning Commission, and the State Economic and Trade Commission today issued a joint circular on the nation's industrial economic efficiency in the first half of this year. With active industrial economic operation, the nation's industrial economic efficiency has picked up remarkably. The composite index of industrial economic efficiency in the first half of the year was 99.31, approaching the Seventh Five-Year Plan's average.

According to the circular, the major indications of improved overall industrial economic efficiency in the first half of the year were: 1) Production better met marketing demands, and capital turnover was accelerated. The increase in industrial sales during the period was greater than the increase of industrial production. The increase in the industrial sales value was 28 percent (calculated in terms of constant prices), while the increase of industrial output value for the same products was 25.1 percent. The marketability rate of industrial products sold at current prices rose month by month—93.11 percent in the January-March period, 93.76 percent in the January-April period, 94.13 percent in the January-May period, and 94.32 percent in the January-June period. In the first half of the year, the velocity of circulating funds was 0.19 time faster, making additional usable funds of 188.9 billion yuan available. The stockpiling time for processed industrial products was 46.2 days, 11.3 days fewer than the corresponding period in 1992 and 7.56 days fewer than early this year, making additional usable capital funds of 80.4 billion yuan available. 2) Profit deliveries and tax payments to the state increased quite rapidly, and business losses decreased. With the gradual delegation of operational decisionmaking powers to enterprises, enterprise operations improved somewhat. During the first half of the year, 297,000 of China's enterprises earned a combined total profit of 88.74 billion yuan, an increase of 66.8 percent over the same period last year; and 64,000 of China's enterprises incurred a combined total loss of 25.48 billion yuan, up 12.5 percent. Total profits, minus total losses, netted 66.4 billion yuan [as received], up 107 percent. The combined total of profit deliveries and tax payments were 163.85 billion yuan [as received], up 48.9 percent. As of the end of June, the number of enterprises that incurred losses accounted for 17.6 percent of the total, down 1.7 percent from the 19.3 percent in the same period last year. 3) The composite index of industrial economic efficiency rose steadily. The composite index of industrial economic efficiency in the first half of the year was 99.31, up 15.67 from the first half of 1992. Five economic efficiency indexes increased by a large margin, the only exception being the rate of net industrial output value. Of the six economic efficiency indexes, the sales rate of industrial products rose by 2.15 percent from the same period last year; the profits and tax rates of

industrial funds was 11.48 percent, up 2.1 percent; the profit rate of industrial costs was 5.79 percent, up 1.8 percent; the velocity of funds circulating was 1.76 times, up 0.19 times; the rate of net industrial output value was 26.65 percent, down 0.2 percent; and the full-member labor productivity was 11,721 yuan, up 36.1 percent.

The circular points out: The composition of industrial economic efficiency in the first half of this year was different in four areas:

1. Improvement in industrial enterprise operations was the principal factor in improved economic efficiency. An analysis of six economic efficiency indexes shows a monthly increase in the operational index proportion in the overall economic efficiency and a corresponding decline in the production index proportion, contributing to improved economic efficiency. The index that reflects the impact of four operational indexes in improved economic efficiency—the percentage of sales of manufactured goods, return on capital employed, return on costs, and turnover of circulating funds—was 63.5 percent for the January-March period, 64.7 percent for the January-April period, 64.3 percent for the January-May period, and 65.5 percent for the January-June period. The index that reflects the impact of two production indexes on improved economic efficiency—labor productivity of the entire body of industrial workers and the net profit rate of output value—was 36.5 percent for the January-March period, 35.3 percent for the January-April period, 35.7 percent for the January-May period, and 34.5 percent for the January-June period. Thus, the ratio between the operational index and production index in terms of their impact on improved overall economic efficiency was 65.5:34.5 for the first half of this year, as compared with 45.1:54.9 for the corresponding period last year. This indicates that the cause of improved economic efficiency has gradually shifted from expanded production to improved enterprise operations.

2. Economic efficiency registered in heavy industry was notably greater than in light industry. During the first half of this year, the added value of heavy industry at the current rate rose 44.1 percent, sales revenues rose 49 percent, the total amount of pre-tax profits rose 66.6 percent, with after-tax profits rising 1.3 times. During the same period, the added value of light industry at the current rate rose 20.7 percent, sales revenues rose 29.5 percent, the total amount of pre-tax profits rose 25.4 percent, and after-tax profits rose 57.5 percent, all of which were below the percentages registered in heavy industry. Some 20.1 percent of light industrial enterprises reported losses, which was also higher than the 14.7 percent reported by heavy industrial enterprises. The overall economic efficiency index in the first half of this year was 105.95, an increase of 21.78 points over the same period last year, while the index for light industry was 89.7, an increase of a mere 6.03 points, and 16.25 points less than heavy industry.

3. Industrial economic efficiency increased in most regions. Of the 28 regions listed in the statistics (excluding Shanghai and Tibet), 27 registered an increase in the overall industrial economic efficiency index from the same period last year. Over half of them rose at a rate above the national average.

4. The overall economic efficiency of state-owned industries and large and medium-sized enterprises was higher than industries and enterprises not owned by the state. The overall economic efficiency index of state-owned industries during the first half of this year was 103.43, an increase of 17.56 points over the same period last year; the index of large and medium-sized enterprises was 111.86, an increase of 19.33; the index of collectively owned industries was 91.36, an increase of 12.93, of which the index of township-run industries was 103.53, an increase of 20.05; and the index of all other types of economic entities was 116.32, up 11.48.

The circular says: While recognizing the positive aspects of increased economic efficiency, we must also realize that the foundation for improvement was not strong. Some operational indexes, such as pre-tax profits realized for 100 yuan of capital and return on 100 yuan of cost, were still below the average registered in the Seventh Five-Year Plan. There was still excessive use of industrial circulating funds, and the amount used is increasing rapidly. Excessive demands have caused rapid increases in the price of capital goods, putting an unbearable burden on enterprises. Some producers of readily salable goods shifted increases in production costs onto consumers by raising their ex-factory prices. However, enterprises with unsalable goods landed in a difficult, money-losing situation.

'Major' Reform Measures To Be Introduced in Near Future

HK0209131093 Hong Kong HSIANG KANG SHANG
PAO in Chinese 2 Sep 93 p 1

["Special dispatch" from Beijing by reporter Szutu Hua (0674 1778 5478): "CPC Central Committee Decides To Further Accelerate Reform, State Council To Introduce a Series of Major Measures"]

[Text] According to sources reached by this newspaper, owing to the gradual implementation of macroscopic measures, the economic situation of China is improving. The CPC Central Committee decided over the past few days to further accelerate the pace of reform on the basis of achieving some initial results in macroscopic regulation, whereas the State Council will introduce a series of major measures in the near future.

According to sources in Beijing, a senior CPC leader pointed out earlier: We cannot overestimate the current progress made, but in any case, we are solving, or begin to solve, some of the problems that have arisen in the process of forging ahead which are largely manifested by the following phenomena—suspension of law-breaking

bank loans, completion of the work of controlling arbitrary fund-raising and purchasing treasury bonds, growth of bank savings, return of exchange rates to a reasonable level, stabilized real estate market, and stabilized commodity prices.

The sources said: The State Council will make a big move to speed up the reform of macroscopic administration, and the measures will be implemented soon. The reform will start from the financial system, the taxation system, the investment system, and the enterprise system. The content of these reforms will include: Regarding the financial restructuring, a monetary economy and credit economy commensurate with the commodity economy will be established. Regarding the taxation restructuring, the goal is to straighten out the distributive relationship among the state, collectives, and individuals on the one hand, and between the central and local authorities on the other, as well as to find a way out of the present unequal taxation between state-owned and nonstate-owned enterprises. Regarding the investment restructuring, the goal is to set up an investment responsibility mechanism and investment risk-sharing mechanism commensurate with the development strategy which centers on the improvement of economic benefit. Regarding enterprise restructuring, the goal is to straighten out property rights relationships, implement the "Regulations," remold the modern enterprise system, and promote and ensure the long-term fine circulation and development of the national economy.

Economic, Trade Official Proposes Discipline Regulations

HK0109142793 Beijing ZHONGGUO XINWEN SHE
in English 1112 GMT 1 Sep 93

[Text] Beijing, September 1 (CNS)—Director of the State Economic and Trade Commission, Mr. Wang Zhongyu, speaking at a meeting of cadres yesterday, proposed a number of regulations dealing with the honesty of leading cadres in carrying out their duties.

Mr. Wang's proposals include the earnest implementation of self-checks. Middle-level cadres holding a post in various kinds of economic entities would have to give up the post or give up his or her post in the commission and this should be completed by the end of September. Confessions should be made by those who have received gifts, sums of money or various kinds of securities.

Party supervision and public alertness need to be strengthened. Cadres above middle-level rank would be under the careful supervision of party members and the general public.

There would be an improved and more transparent system of bureaucracy in those offices responsible for handling money, materials, transportation, import permits and business approval.

Checking up on unreasonable charges levied would be strengthened and further investigation would be carried

out into cases already exposed. During the second half of this year, official overseas visits should be strictly controlled and ordinary overseas visits resolutely stopped.

Continuation of Article on Finances, Taxation

Part Two

HK0209052093 Beijing RENMIN RIBAO in Chinese
21 Aug 93 p 1

[Article by staff reporter Li Jianxing (2621 1696 5281): "A Perspective on Tax Loopholes—Commenting on Financial and Taxation Reform (Part Two)"; Part One was published in the Economic & Agricultural section of the 1 September China DAILY REPORT, pages 32-34, under the headline "Article Examines Financial, Taxation Reform"]

[Text] Since the beginning of this year, with the rapid development of the national economy, tax revenues have also increased, but the growth rate of tax revenues has not matched the growth rate of production. This finds expression in the following figures provided by the relevant departments: In the first half of this year, tax revenues accounted for 44.7 percent of the annual budgetary target, and increased by 11.9 percent over those in the same period last year; at the same time, gross national industrial output value increased by 25.1 percent, sales output value increased by 28 percent, but the growth rate of industrial and commercial tax revenues was 14.5 percentage points lower than the growth rate of production, and product taxes directly from the production field declined by 8.4 percent from those in the same period last year. Moreover, some taxation items, such as resource taxes, collective enterprise income taxes, and capital investment orientation adjustment taxes, declined substantially as compared with the same period last year.

That tax revenues grew at a rate lower than the rate of economic growth can be attributed to many factors, but the main reason lies in a drain on tax revenues.

Tax Revenues Are Lost in Seven Aspects

Effecting tax reductions and exemptions without authorization. Some localities and units have violated the state's taxation regulations, transcended their powers, offered tax reductions and exemptions without authorization, expanded the scope of tax reduction and exemption, formulated favorable taxation policies on their own, and extended terms of tax reduction and exemption. Some localities have set up all kinds of economic development zones without the approval of the state council and competed with each other in reducing and exempting from taxes. This has disrupted the unity and seriousness of the state's taxation regulations.

Contracts of transit taxes or contracts in disguised forms. From the first half of 1992, some localities decided without authorization to assign contracted quotas of transit taxes to some enterprises or adopted such tax

contracts in disguised forms. Transit taxes are the main category of our country's industrial and commercial taxes. They include product tax, added value tax, and business tax, constituting the main revenue sources of the state and the major lever for the state's macroscopic regulation and control. At present, transit taxes account for about 80 percent of industrial and commercial taxes in our country. However, once such taxes are fixed in the form of contract quotas, the main body of tax revenues will be affected. There are six concrete forms of transit tax contracts: 1) Fixed-quota tax reduction; 2) extra-quota reduction and exemption; 3) progressive contract quotas; 4) financial refunding; 5) target management; and 6) overall input-output contracts.

Tax evasion. According to figures provided, evaded taxes in our country amount to 100 billion yuan a year.

Taxation fraud. Since 1985, in accordance with general international practice, our country has refunded taxes on some export products. Practice shows that export tax refunding is a good policy. However, some lawbreakers have taken advantage of this policy and used various illegal means to gain export tax refunds by cheating, thus embezzling state funds. At present, some new trends in tax fraud have been discovered: First, products involved in tax fraud have shifted from high-tax-rate and high-value products to ordinary products such as garments, electric wire and cable, and zippers; second, tax fraud has shifted from the link of tax refund to the link of tax payment; third, tax fraud cases have spread from coastal areas and large cities to township and town enterprises in interior areas or in coastal rural areas; fourth, the means has developed from forging and altering export tax refund documents to obtaining "legal tax refund certificates" through bribery; fifth, those involved in such activities are not only a small number of export enterprises, but also some crime syndicates specializing in tax fraud.

Tax evasion by some foreign-funded enterprises. This has become a serious problem that can never be neglected. The main means of evading taxes are cooking up business losses, shifting profits, raising the price of equipment to increase the amount of investment, raising the prices of raw materials and lowering prices when exporting commodities. They achieve the purpose of evading taxes by raising the prices of imported goods and lowering the prices of exported goods.

Dodging taxes. Some enterprises take advantage of various policy loopholes to dodge taxes by means of launching false joint ventures, false school-run enterprises, false welfare undertakings, and false new projects. Some enterprises even change their nature from state-owned enterprises into private enterprises or private economic entities affiliated to administrative institutions in order to dodge taxes.

Being in arrears with tax payment. By the end of June this year, taxes the enterprises throughout the country had not paid in time amounted to 10.9 billion yuan, and

taxes withheld by banks amounted to 1.4 billion. The total of the two amounted to 12.3 billion yuan. This was also a major factor affecting tax revenues.

Causes of Tax Revenue Losses and Countermeasures

The main causes of losses of tax revenues lie in the facts that the taxation system is not commensurate with the requirements of the market economy, that the financial system is not perfect, and that the legal system related to tax revenues is not perfect. To deal with losses of tax revenues, the remedies should be pertinent to the problems.

At a recent national work conference of revenue bureau directors, participants unanimously agreed that the current taxation system is not commensurate with the requirements of the socialist market economy, and that this is prominently reflected in the facts of unfairness in tax burdens, the lack of unified tax policies, the lack of conciseness of the tax system, and the lack of strict management of tax revenues.

The backward taxation system is the root cause of the loss of tax revenues, and the problems are so serious that reform must be carried out in this field. How to change? The key lies in reforming the enterprise income tax system, thus regularizing the income distribution relations between the state and the enterprises and providing an environment for fair competition for enterprises; reforming the transit tax system in accordance with the principle of fairness, neutrality, transparency, and universality, thus forming tax revenue distribution mechanisms in all links of production and circulation and facilitating the optimization of resource distribution; reforming the individual income tax system and establishing a new-type social regulation mechanism; and establishing the local taxation system and strengthening the central government's macroscopic regulation and control ability.

The current financial system based on contracts has many problems. The irregular tax reduction and exemption and the contracting of transit taxes in violation of the state taxation regulations are caused by the imperfect taxation system. There is no reasonable demarcation line between the interests of the central government and the local governments. Irregular practices often occur in some localities and departments, and the macroscopic regulatory and controlling ability of central finances has been weakened. The solution is to adopt the tax-sharing system and the financial system for different levels as soon as possible so that the interest relations between the central government and the local governments can be rationalized.

The imperfect taxation system is the deep-rooted cause of the losses of tax revenues. Our country has not yet formed legislative, judicial, and executive mechanisms that are independent of each other and constrain each other with regard to tax revenues. Add to that the lack of solemnity, unity, and authoritative nature of the current tax regulations, and it is hard to prevent people from

opening breaches in tax revenues. The regulations may be ignored, and the enforcement of the regulations may be loose. The market economy is in fact a legal system economy, and is built on the basis of a perfect legal system for tax revenues. Consistently handling tax affairs according to the law is the necessary guarantee for giving full play to the leverage of taxes. In the long run, it is necessary to gradually establish a tax law system based on a basic law on taxation and composed of various substance laws, procedural laws, and organic laws.

The above-mentioned systems and law structure for overcoming the losses of tax revenues will not become effective overnight. The pressing task at the moment is to faithfully implement the measures for strengthening macroscopic regulatory and controlling measures laid down by the central authorities and the State Council's Circular on Strengthening Tax Revenue Management and Strictly Controlling Tax Reductions and Exemptions. All localities should seriously screen their favorable taxation policies formulated in violation of the regulations and by transcending their powers. They must take resolute measures to correct the practice of assigning transit tax contracts; clear the defaulted tax payments and the taxes withheld by the banks; severely crack down on the activities of gaining export tax refunds by cheating; effectively collect and manage taxes from individual industrial and commercial businesses, private enterprises, collective enterprises, and foreign-funded enterprises; and properly conduct this year's financial and taxation inspection.

Part Three

HK0209052493 Beijing RENMIN RIBAO in Chinese
24 Aug 93 p 1

[Article by staff reporter Li Jianxing (2621 1696 5281): "Individual Income Tax Moves to Front Stage—Commenting on Financial and Taxation Reform (Part Three)"]

[Text] From ordinary people to party and state leaders, everyone faces individual income tax. As an important part of the taxation system reform in our country, the reform of the individual income tax system has moved from backstage to front stage.

I.

In order to meet the needs of reform and opening, in September 1980, the National People's Congress [NPC] promulgated the PRC Law on Individual Income Tax. In January 1986, the State Council promulgated the PRC Interim Regulations on Income Taxes Paid by Urban and Rural Industrial and Commercial Businesses Run by Self-Employed Individuals. In order to regulate the income conditions among individual citizens and to mitigate the unfairness in the distribution of social wealth, in September 1986 the State Council promulgated the PRC Interim Regulations on Individual

Income Adjustment Taxes. They now constitute the current system for individual taxes.

After the three above-mentioned income taxes were levied, they played a positive role in serving and supporting reform and opening, increasing the government's revenue, and mitigating unfairness in the distribution of social wealth. In 1992, individual income adjustment taxes collected in the whole country amounted to 934 million yuan. In the first half of this year, the revenue from individual income adjustment taxes reached 533.07 million yuan. Major tax sources and taxpayers with high incomes mainly include three categories: Workers in foreign-funded enterprises, in the tourist industry, and in commercial industry; contract and lease undertakers, individuals who run private schools, and taxi drivers; and actors and actresses, chefs, hairdressers, and facial and skin care experts.

However, with the further development of the economy and the in-depth development of the reform, the drawbacks of the current individual income tax system have been gradually laid bare: With the coexistence of the three sets of individual income tax laws and regulations, the legal terms are not rigorous enough and not standard, and this makes it hard to explain the practice to taxpayers in the legislative procedures and in the enforcement of the laws and regulations; according to international practice, individual income taxes are collected in the light of a unified individual tax law. In our country, the expenses deduction (usually called "starting point") of individual income tax and individual income adjustment tax is too low; the tax rates are too high; and the tax burden is too heavy. In recent years, the income levels and the living standards of the people have been gradually raised. The annual average wages of workers in the whole country increased from 1,459 yuan in 1987 to 2,340 yuan in 1991, a rise of 60.4 percent; due to the continuous price increases, the general price index related to workers' living costs in 1990 went up by 95.4 percent as compared with that in 1987; and between January and July this year, the gross index of national retail prices increased by 10.8 percent over that in the same period of last year, and the price index related to workers' living costs went up by about 14 percent. By comparison, the current starting point of 400 yuan (in the Beijing area) is obviously too low. The rate of income tax levied from self-employed individuals engaged in industrial and commercial businesses is too high, and the taxes cannot actually be collected. It is necessary to come into line with the trend of lowering the rates of enterprise income tax and individual income tax, and bring individual income tax into line with international practice and with the requirements of building the socialist market economy in our country. Therefore, it is now time to reform the current income tax system.

II.

The guidelines for reforming the individual income tax system should be: Combining different taxes, simplifying

the tax system, sharing the tax burden fairly, strengthening the functions of organizing financial revenue and properly adjusting individual incomes, safeguarding state interests, and increasing citizens' awareness of paying taxes and being taxpayers.

According to the above guidelines, the reform of the individual income tax system should follow these principles: The principle of paying taxes on the same terms and on different terms; the principle of maintaining the continuity of the policies; the principle of maintaining relative stability and handling specific cases flexibly; the principle of being simple and applicable and being favorable to control and management; and the principle of giving prominence to the regulatory function of the taxes, adjusting incomes which are too high and protecting low and intermediate incomes. However, the uncertainty and nontransparency of our citizens' incomes and other factors add difficulty to the reform of the individual income tax system.

The individual income tax systems in various countries of the world can be divided into two models: One is the separate-item taxing system and the other is the comprehensive taxing system.

The separate-item taxing system sets specific tax rates for wages and business and production incomes, and collects taxes on these items separately. This system has been mostly adopted by countries which have begun to establish the individual income tax system.

The comprehensive taxing system levies taxes according to the total income of a taxpayer (normally based on annual income), and is usually followed by countries which have had the individual income tax system established for a long time. At present, most countries and regions with a developed market economy adopt the comprehensive taxing system which withholds taxes at source, and the reporting of annual taxable income at the end of each fiscal year.

In our country, the individual income tax system was set up later, and what has been adopted is the separate-item taxing system as the Individual Income Tax Law specifies. Although the individual income adjustment tax adopts the system that combines comprehensive taxing with separate-item taxing, in the course of enforcement it is at present still hard to actually carry out the comprehensive taxing part because there are many individual income channels at the current stage and the tax system cannot be made perfect within a short time.

Therefore, after reform, the individual income tax system model should first adopt the separate-item taxing system, and it can then gradually be replaced with the comprehensive taxing system when conditions are ripe.

III.

In the final analysis, the key to the reform of the individual income tax system lies in the starting point and the tax rates.

At present, there are two different opinions on the starting point issue in our country. One opinion holds that the starting point should be raised from 400 yuan to 600 to 800 yuan or an even higher point. The reason is that the actual incomes of the citizens in our country are not high. The other opinion holds that the starting point should be lowered to 200 yuan or an even lower point, because any person who has an income should pay tax and this will raise people's sense of paying taxes.

According to the actual conditions of income and expenditure of citizens in our country and an analysis of the developmental tendency, the starting point for taxable income items should include a considerable proportion of citizens in the category of taxpayers and thus cultivate the taxpaying awareness among our citizens. However, people's tax burdens should not be too heavy, and the starting point should not be lower than the level of basic living costs. According to the increases in the price index related to workers' living costs and the changes in the general price index in recent years, it seems that the starting point should be set at a level around 800 yuan.

The tax rates are the core of the regulatory role of taxation. According to experts' proposals, the individual income tax system after reform should still adopt the current progressive and proportionate tax rates.

At present, most countries in the world set the highest tax rate on individual income at about 25 percent, but in our country, the highest tax rate for individual income reaches 60 percent. This is obviously too high. The experts propose that progressive tax rates between 5 percent and 35 percent be adopted for wage income; and that proportionate tax rates be adopted for income from services, property transfer, and dividends.

On the basis of drawing a lesson from our previous experience and under the premise of keeping the reformed individual income tax system relatively stable, we should appropriately adjust the starting point and the tax rates according to international practice, the current economic situation, and especially changes in exchange rates and prices.

BOC Private Foreign Currency Deposits Hit \$8 Billion

OW0209130093 Beijing XINHUA in English 1159
GMT 2 Sep 93

[Text] Beijing, September 2 (XINHUA)—The private foreign currency deposits in the Bank of China (BOC) showed a net increase of 1.944 billion U.S. dollars during the first seven months of this year.

The figure represents a growth of 110 percent over the same period last year. It also exceeds BOC's last year's total increase of 1.67 billion U.S. dollars, according to BOC bank official Wang Shaohong.

As the state bank specializing in foreign exchange and foreign trade, the Bank of China began to attract personal hard currency savings in 1984. Up to the end of July this year, hard currency savings in personal accounts in BOC amounted to 8.04 billion U.S. dollars, representing about 70 percent of the country's total of such accounts.

"Private deposits in hard currencies grew by more than 250 million U.S. dollars a month since January this year," said Wang. "this is the first time that our bank saw such a growth rate."

The fast growth is the result of China's further opening to the outside world, with more people entering and leaving the country, Wang noted. People have more sources for foreign currencies.

The limitations of hard currency circulation in China also help boost the bank deposits, said Wang.

Private hard currency savings now constitute one of the major and steady resources for BOC's working capital.

In the January-July period, the Bank of China extended a total of 10.5 billion U.S. dollars in loans, mostly to key state projects and foreign-funded enterprises.

Agricultural Bank Expands International Operations

*HK0209032193 Beijing CHINA DAILY in English
2 Sep 93 p 2*

[By our staff reporter Wu Yunhe: "ABC Steps Up Activities in World Market"]

[Text] The Agricultural Bank of China has intensified its activities on the world market since its first overseas representative office went into operation in Singapore in July.

After getting approval from the People's Bank of China, the Agricultural Bank plans to set up more overseas branches in Tokyo, London, New York, and Hong Kong.

Cao Jiren, manager of the international department of the bank, described the move as a clear-cut step in strengthening its presence in the world's financial markets.

The bank is also considering, for the first time, an ambitious plan for issuing its bonds on Western financial markets.

This year, it is going to sharply increase its imports of foreign governmental loans and multiply foreign exchange savings and interbank borrowing from foreign financial institutions.

Bank officials say negotiations between the Agricultural Bank and banks from Japan, Singapore, and other Asian countries are going on for steering more foreign commercial loans towards the country's agriculture sectors.

Ma Yongwei, President of the Agricultural Bank, told China Daily that his bank would borrow more loans from foreign banks to re-lend them to export-oriented rural firms.

During the first seven months of this year, the bank borrowed some \$119 million from overseas, mainly Japan, Singapore, South Korea, Italy, and Hong Kong.

"The bank has to march into the world market if it wants to make it more market-oriented," he said.

But, the president said that over the past few months the bank has stopped several serious loopholes that might lead to financial scandals and damage its international image.

Ma noted that at least 20 per cent of his bank's loans currently went to the rural industries, the foreign-funded joint ventures in particular.

The Agricultural Bank now uses the majority of its loans to support agricultural production and ensure paying cash, instead of IOUs, to farmers for the purchase of grain and other agricultural products.

Ma said that he and his staff had a tough time drumming up funds to support the bank's lending abilities over the past few months.

From July to August 20—a period in which the central government had begun taking action to cool the economy—the bank saw its individual savings increase by 19.3 billion yuan (\$3.3 billion), up 13.7 billion yuan (\$2.4 billion) over the same period last year.

Responding to the central government's call to give agriculture stronger financial support, the Agricultural Bank is relying more on saving deposits and overseas activities for its business operations.

Purchasing for the summer harvest this year has taken some 50 billion yuan (\$8.6 billion) in loans from the bank. Buying autumn crops will also need huge financial support, bank officials said.

Qian Qichen Opens Tourism, Product Exhibitions

*OW0109164593 Beijing XINHUA in English 1449
GMT 1 Sep 93*

[Text] Beijing, September 1 (XINHUA)—The '93 China Visit- Shopping Festival and the 14th National Fair of Tourism Products opened at the China International Exhibition Center here today.

Vice-Premier Qian Qichen cut the ribbon at the opening ceremony.

Beijing is the main host city of the festival, while Shanghai, Guangzhou, Sichuan, Yunnan and other major tourism meccas in China are holding similar shopping festivals.

There are over 500 international-standard goods stalls at the fair in Beijing, with more than 20,000 varieties of goods on display. Many of the commodities are leading-brand products, or new or unique items.

The number of foreign-funded enterprises participating in the fair this year is bigger than last year.

The festival and the fair are sponsored by 13 units, including the National Tourism Administration, the China Federation of Light Industry Associations, the Ministry of Internal Trade and the China Federation of Textile Industry Associations.

Column on Economic Leap Along Chang Jiang

HK3108060093 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Aug 93 pp 1, 3

["Notes on a Trip Along the Chang Jiang" column by staff reporter Zhang Pingli (1728 1627 0500): "A Spring Tide Is Ebbing Along the 10,000-Li Chang Jiang"; first two paragraphs are editor's note]

[Text] Since the beginning of the 1990's, deepening reform and widening the scope of opening up are surging forward wave upon wave in all corners of the vast Chinese soil. The development of the Chang Jiang delta and regions along the river, with Pudong as the dragon head, has all the more become a world-noted major move in China's economic development strategy. The Chang Jiang delta and regions along the river are rich in resources, have easy access, are developed in industry and trade, and are where quite a portion of the quintessence of Chinese economy, science, technology, and culture is concentrated. The opening up to the outside world of this golden waterway from Pudong to Chongqing and the takeoff along the entire line have an important bearing on promoting the formation of an omnidirectional open pattern in China, on expediting the establishment of the socialist market economic structure, and on fulfilling the "three-step" strategic target.

As of today RENMIN RIBAO will carry serial reports on "Notes on a Trip to the Chang Jiang," the purpose being to enable our readers in the country and overseas to feel the takeoff along the 10,000-li Chang Jiang, to see the spring breeze greening the river banks, and to wish that the Chang Jiang will fly like a giant dragon and the country will become prosperous and developed.

Now the wave of economic development is surging forward along the rolling Chang Jiang. Railways and expressways are being extended one after another, large-scale basic industrial projects are being built one after another, and ports are being developed one after another along the river. In the east, a large market linked to the world is being built in Shanghai; in the west, big dams rare in the world are being constructed in Hubei and Sichuan. Ships are busily shuttling on the Chang Jiang and commodities are being distributed along its banks. Another huge wave of economic development appearing in China in this century is starting from the Chang Jiang.

I.

At a time when China has embarked on the track of faster economic development in the 1990's, everyone has gratifyingly discovered that almost all the major policies and measures concerning the overall economic situation are directly related to the mighty Chang Jiang, which runs from the west to the east, is flanked by three rivers and five lakes, and links 24 big and medium-sized cities in seven provinces and regions in the country.

In 1990, the party central committee and the State Council made a major decision on developing Shanghai's Pudong, building an area of strategic significance in the estuary of the 10,000-li Chang Jiang. In the same year, a "Report on the Main Points of the Program on Comprehensive Use of the Chang Jiang Basin," incorporating decades of research achievements and embodying the painstaking efforts of a large number of scientific research personnel, was submitted to the State Council for amendment and implementation.

In 1991, the State Council decided to open up to the outside world several important cities along the river, including Wuhu, Jiujiang, and Wuhan, allowing foreign ships to enter their ports. In 1992, the National People's Congress formally approved the construction of the Three Gorges hydropower dam project, which has drawn world attention and is of major concern to the Chinese people. Preparatory work for the project will start soon.

In 1992, Comrade Deng Xiaoping made important speeches during an inspection of south China and the 14th CPC National Congress opened. Amid these two major events, the Communist Party of China, which is meticulously drawing up China's economic development strategy, cast its attention to the reclamation and opening up of Shanghai's Pudong to the outside world. In June of the same year, General Secretary Jiang Zemin and Premier Li Peng personally held a meeting on the development of the Chang Jiang delta and regions along the river, with Pudong as the dragon head. They worked out a blueprint for economic development in these vast regions along the Chang Jiang, where the quintessence of Chinese economy and culture is concentrated. In 1992 China registered an economic development rate of 12.8 percent, a "unique record which startled the world." In that year, the proportion of the GNP of regions in the Chang Jiang basin to the country's total rose from 33.7 percent in 1990 to 36.2 percent and their economic growth stood at 16.4 percent, higher than the country's average.

The spring breeze turned the Chang Jiang banks green. In the 1980's, China's economy arose from the east along with reform and opening up; in the 1990's, China's economy will bring about a new leap in the entire nation from the east to the west by relying on the impetus of the Chang Jiang. People describe this development trend which links southern and northern coastal areas on the one hand and eastern and western regions along the

Chang Jiang on the other as "China's 'T-shaped' development strategy." Evidently, the general frame of this economic strategy is taking shape.

II.

Throughout the world, many economically and socially developed regions are located along some famous rivers. More than 100 of the 150 U.S. cities with populations over 100,000 are situated in the Mississippi River basin. A transportation and electric power system operating on water resources has made it possible for this country to build an industrial cluster belt known as the "iron corridor." The Volga basin in the former Soviet Union was inhabited by one-fourth of the country's population and was equipped with an industrial capacity accounting for over 50 percent of the country's gross industrial output value. Ninety percent of the former Federal Republic of Germany's coal output was concentrated in the Rhein basin, with 70 percent of its iron and 60 percent of its steel produced there; the Ruhr industrial region is known throughout the world....

Others' experience can be taken for reference. Reviewing China's situation, how should we appraise the economic position of the Chang Jiang basin and its development prospects? Since liberation, New China has invested huge financial, material, and human resources in the construction of the Chang Jiang basin as well as seven provinces and one municipality [directly under central jurisdiction] in this basin, turning this vast river basin into a "golden hinterland" of the Chinese economy. Since the Third Plenary Session of the 11th CPC Central Committee, China has carried out the general policy of reform and opening up, thus bringing about a prominent feature of gradual economic development by stages, at different levels, and in different regions. In the 1980's, provinces and cities in eastern coastal areas first joined the ranks of speedy development, which helped greatly strengthen the country's overall economic impetus and provided conditions, experience, and opportunities for future development in other regions. In the 1990's, regions in the Chang Jiang basin have been selected as key development regions which will promote bigger economic development in the country. This will serve as the continuation of the development of eastern coastal areas in the 1980's. During an inspection of south China, Comrade Deng Xiaoping particularly talked about the development and opening up of Shanghai and Pudong, and he had high hopes for them. As a matter of fact, China has put economic development in the Chang Jiang delta and regions along the river in a prominent position, giving expression to the new ideas and development choice of Chinese leaders for China's economic development. General Secretary Jiang Zemin put it this way:

"The Chang Jiang delta and regions along the river are economically, scientifically, technologically, and culturally developed regions in China. Seven provinces and one municipality are in this region, which has good basic facilities, rich water resources, comparatively developed

agricultural economies, comparatively complete industrial branches, and a large number of first-rate key enterprises in the fields of steel, iron, automobiles, electronics, petrochemicals, and machinery. In addition, it has a large population, many talented people, and a strong scientific and technological force. Thus this region occupies an important position in China's economic and social development. This region will have the biggest development potential and possibly the fastest economic development subsequent to coastal open areas. We may say that the development rate of the Chang Jiang delta and regions along the river will, to a great extent, determine the fulfillment process of China's second-step strategic target and even its socialist modernization."

Premier Li Peng pointed out: Regions along the Chang Jiang start with Shanghai in the east and end with Chongqing in the west. This is where the motherland's quintessence and economically developed regions lie. The land area accounts for 3.4 percent of the country's total, the population approximately 15 percent, and the GNP approximately 36.2 percent. The land area is comparatively small, the population is comparatively concentrated, but the proportion of the GNP to the country's total is higher than the proportion of the population. This indicates that this region occupies an important position in China's national economy and has bright development prospects. Expediting the development and opening up of this region will turn Shanghai and the Chang Jiang delta into regions basically realizing modernization in China and will bring about a leap in economic development in the entire Chang Jiang basin. Apart from this, it will have an important bearing on promoting the formation of an omnidirectional open pattern in China, on speeding up the establishment of a new socialist economic structure, and on fulfilling the second-step strategic target.

Chinese leaders view and plan strategy for economic development in the Chang Jiang basin from practical and future angles. It is exactly because of this macro view that they have made the major strategic decision in a timely manner on developing and opening up the Chang Jiang delta and regions along the river.

III.

A comprehensive analysis of the general trend of economic development in the Chang Jiang delta in the 1990's enables us to understand the following prominent features:

—Transportation and telecommunications will become priority development objectives of these regions. In the forefront of the Chang Jiang, 17 railway and highway bridges are being built; the 2,000-odd-km north-south Beijing-Kowloon railway is being constructed without loss of time; the construction of another 1,100-km Beijing-Shanghai express passenger railway is under preparation. After completion, these two key railways will become the main thoroughfares

facilitating cooperation between the north and the south for economic development in the Chang Jiang basin. In provinces and cities along the Chang Jiang, the construction of expressways, railways, ports, and airports has started. Thus the establishment of a three-dimensional transportation system comprising waterways, airways, highways, and railways in the Chang Jiang basin is being implemented. Telecommunications business has been one of the fastest developing industrial branches in the Chang Jiang basin in recent years. Program-controlled telecommunications networks are initially taking shape between provinces, cities, regions, urban and rural areas, and China and foreign countries. Tens of thousands of telecommunications lines have been built and are absorbing foreign capital. Participation in the construction of telecommunications business in regions along the Chang Jiang by the state, localities, societies, enterprises, and individuals has become particularly active.

- A situation of greater openness and a new industrial cluster belt is taking shape. Since the beginning of the 1990's, regions in the Chang Jiang basin have ranked among the country's fastest in introducing foreign capital, cooperating with foreign countries, and carrying out export and import trade. Jiangsu, Shanghai, and Zhejiang have approved the establishment of 25,000 foreign-invested enterprises, with contracted foreign capital amounting to over \$32 billion, accounting for one-fourth of the total foreign capital to be used by China according to contracts. World famous big firms taking part in investment are increasing, and their investment fields are expanding; they have many large projects, and the ability of their hi-tech industries in absorbing foreign capital is strengthening. These have been prominent features of opening up to the world in the Chang Jiang basin since the beginning of last year. Now more than 10,000 foreign-invested enterprises in the Chang Jiang basin have started operating, and more than 90 percent of them have produced good operational results. They have complete basic facilities, low investment costs, and fast investment returns. These are the basic reasons why regions in the Chang Jiang basin can absorb much foreign capital and register fast development in opening up to the world. It is noteworthy that the expansion of opening up to the outside world in provinces and regions in the Chang Jiang basin is closely related to the emergence of a new industrial cluster belt along the river; steel, electronics, automobile, chemical industrial, building materials, machinery, hi-tech, and other large industrial projects operated on foreign capital or with foreign capital participation are being carried out, thus strongly promoting the rationalization and renewal of the industrial structure in this river basin. Automobile, petrochemical, and electronics industries in Shanghai, Jiangsu, and Hubei; steel, building materials, and nonferrous metal industries in Anhui, Hubei, and Chongqing; the Three Gorges hydropower projects in Sichuan and Hubei; and the construction of

machinery and industrial as well as agricultural and sideline production bases in Jiangxi and Hunan are all large industries in provinces and cities along the river where investments are concentrated and main support is provided. The state has decided to further relax the policy on the development and construction of basic industries and facilities in these regions and to introduce foreign capital and resources more boldly and freely. Many provinces and cities along the river have introduced the internationally applied "BOT" method—namely allowing foreign businessmen to contract for construction projects; foreign businessmen are responsible for management and operation in a 15-year contract period after the completion of these projects; during this period the Chinese side will collect taxes from them; these projects will be returned to the Chinese side when the contract period ends. This method can greatly shorten the construction period for basic industries and facilities in the Chang Jiang basin and provide a solid material foundation for the region's economic development.

- A trend of building big markets and carrying out large-scale integration is rising. In Shanghai, a plan is being implemented to build five big markets for capital, commodities, information, technology, and talented people—markets which cater to the world and serve economic development of the country and the Chang Jiang basin. Shanghai's monetary, securities, foreign exchange, options, technology, and information markets as well as its import and export trade, which are becoming increasingly lively and taking on a certain scale, have enabled big cities in the Chang Jiang estuary to provide major economic impetus for the Chang Jiang basin and the rest of the country. The move of building big markets has helped people in provinces and cities along the river free themselves from their provinces, cities, and localities, form cooperation and integration, and devote themselves to the development and opening up of the Chang Jiang basin. In this river basin, opening up to the rest of the country and the world is proceeding along with integration; transdepartmental, transregional, and inter-trade construction projects are increasing along with enterprise organizations; and the transfer and reorganization of production factors are increasing in percentage. In the Chang Jiang delta, the three cities of Suzhou, Wuxi, and Changzhou cooperated in transforming an ethylene factory with an annual output of 60,000 metric tons. Finally they built a large industrial enterprise with an annual output value of 4 billion yuan and profits and taxes of 1 billion yuan; in the Chang Jiang basin, a new organizational form comprising large transregional, transdepartmental, and inter-trade enterprise groups is emerging along with an economic development trend in the Chang Jiang basin. The economic phenomenon of integration giving rise to superiority and market development promoting integration is becoming prominent in the Chang Jiang basin.

What is more gratifying is the formation of a "Chang Jiang concept." General Secretary Jiang Zemin reminded us to work out a plan for the opening up and development of the Chang Jiang basin; to break away from provincial boundaries, to bring each area's own strong points into play; not to carry out low-level, small but all-inclusive duplication; and to benefit each other in integration. Vice Premier Zou Jiahua proposed a "32-character" policy for the development and opening up of the Chang Jiang basin, which reads: Making overall plans, carrying out integration and cooperation, giving prominence to key points, moving forward tier by tier, exchanging each other's strong points, providing mutual benefit, practicing division and combination, and carrying out common development. Mayor Huang Ju said in Shanghai: "From the angle of stimulating economic prosperity in the Chang Jiang delta and regions along the river, Shanghai should become the center of circulating commodities and production factors; the day the Chang Jiang basin witnesses economic prosperity is the day Shanghai makes a leap. Shanghai is a big arena in which the economic development of the Chang Jiang basin and the country is displayed." Governor Chen Huanyou said in Jiangsu: Economic development in the Chang Jiang basin starts with Shanghai's Pudong, toward which our policy is giving firm support, taking the initiative in providing service, ushering in its role as an example, and carrying out common development; Jiangsu should expedite the formation of its connections with Shanghai in the fields of communications, finance, trade, and production. Zhejiang provincial government leaders said: Zhejiang is to the south of Shanghai, we should consciously merge ourselves with the development of provinces and cities along the Chang Jiang, actively develop all kinds of integration and cooperation, and seek common prosperity. The intentions expressed by leadership departments of provinces and cities along the Chang Jiang are unanimous. Here, the old pattern and concepts which took shape under the traditional planned economic structure—an old pattern and concepts separating regions from each other, and departments from undertakings—are being gradually broken and replaced by a situation of integration, supplying each other's needs, common prosperity, and by a brand new "Chang

Jiang concept." We can predict that a new socialist market economic structure which will promote the formation of a rational structure and the best-disposed resources in the Chang Jiang basin's economy will be established and improved ahead of others in the course of Chang Jiang economic development and opening up and that it will produce huge economic effects.

The 10,000-li Chang Jiang is leaping forward and the "golden river basin" is sending forth its radiance. In the big arena of Chinese economic development in the 20th century, there will be brilliant performances of the "dragon!"

State Council Approves Handan-Jinan Railway Project

OW0209124993 Beijing XINHUA in English 1058
GMT 2 Sep 93

[Text] Jinan, September 2 (XINHUA)—China's State Council recently approved the Handan-Jinan railway project which will start to be built next year.

At a joint meeting held today in Jinan, capital of Shandong Province, the Ministry of Railways, Hebei and Shandong Provincial Governments, approved the feasibility study of the railway project.

Starting from the southern station of Handan city which is on the Beijing-Guangzhou railway in Hebei Province, the 234-kilometer Handan-Jinan rail track will join the Beijing-Kowloon line at Liaocheng and converge with Beijing-Shanghai railway at Yancheng Station in Shandong Province.

The project at an cost of 1.5 billion yuan will be jointly financed by the Ministry of Railways, Hebei and Shandong Provinces.

This will be another major line to transport coal from Shanxi Province to the coastal areas. The annual capacity of the railway will be 20 million tons.

The new line will further improve the communications and transport conditions in the southern part of Hebei Province and the western part of Shandong Province.

Central-South Region

Guangdong's Shenzhen 'Favored Place' for Investment

OW0209075993 Beijing XINHUA in English 0724
GMT 2 Sep 93

[Text] Shenzhen, September 2 (XINHUA)—Shenzhen, in south China's Guangdong Province, has become a favored place for foreign investors.

It was one of China's four earliest special economic zones with most advantages in pioneering China's economic reform.

In the first seven months of this year, the city, which borders Hong Kong, approved the establishment of 2,175 foreign-funded firms, four times the figure recorded for the same period last year.

With many preferential policies from the central government, the local government has also invested huge sum of money to improve its basic facilities.

Besides building high-grade highways, an international airport and eight harbors and improving the telecommunications network, the city has also completed construction of water projects with a capacity to supply 632,000 tons of water per day, and has finished building electricity supply facilities with an annual electricity transmission capacity of 3.319 billion kwh.

These changes have helped to create a sound investment environment for overseas investors. Foreign investors are attracted to put their funds to work in this special economic zone.

At present, the city has 8,000 foreign-funded enterprises, involving an agreed use of 20.968 billion U.S. dollars of foreign funds.

Earlier this year, Shenzhen city government adopted a series of measures to make its investment wooing more effective and scientific.

For instance, they worked out industrial development policies and project lists in a bid to guide foreign investment according to the overall strategic economic development plan. The project lists, which are published every six months, reveal where foreign investment is most wanted, allowed, limited or banned.

Meanwhile, related departments have simplified procedures for getting approval for establishing foreign-funded enterprises.

As a result, the city saw the establishment of an average of 12 new foreign-funded firms each day in July.

The improved investment environment has attracted many international groups to invest in major projects in the city. Many medium-sized and small foreign-funded

firms have also felt the need to increase their registered capital, or enlarge their management scope or launch new branches.

Guangdong City To Build Foreign-Funded Power Plants

OW0209093193 Beijing XINHUA in English 0757
GMT 2 Sep 93

[Text] Shantou, September 2 (XINHUA)—Shantou city, one of China's five special economic zones in Guangdong Province, is accelerating construction of power plants by using overseas funds.

On Tuesday [31 August], Shantou Electricity Development Corporation signed a contract with Cheung Kong (Holdings) Ltd. of Hong Kong and Hutchison Whampoa Group Limited to operate three major power plants, Tuopu, Chenghai and Chaoyang.

The total generating capacity of the power plants is 280,000 kilowatts.

The total investment is more than 150 million U.S. dollars and now the three power plants are under construction.

Zhou Rifang, mayor of Shantou, attended the signing ceremony and said that the three projects will go into operation within five years.

In another development, Shantou Electricity Industrial Bureau signed an agreement with a Hong Kong company to construct Shantou Xigang Power Plant on Monday.

The generating capacity will be 100,000 kilowatts and the total investment will be 450 million yuan, with 40 percent coming from the Shantou Electricity Industrial Bureau.

Guangxi Cracks 'Major' Car-Smuggling Operation

HK0109105893 Hong Kong MING PAO in Chinese
27 Aug 93 p 12

["Special report": "Quangxi Cracks Smuggling Case, Seizes Nearly 800 Smuggled Cars Worth Over 100 Million Yuan"]

[Text] Guangxi recently cracked a major smuggling case and seized 798 smuggled cars worth 160 million yuan. This was the most serious smuggling case Guangxi has cracked in more than 40 years in terms of the number of cars and the value of the smuggled goods.

According to a responsible customs official in Guangxi, the smuggled vehicles were all "Hyundai" cars and vans made in South Korea. The vehicles were smuggled into Guangxi through Fangcheng Port by four trade companies in Liuzhou City, Beihai City, Qinzhou Prefecture, and Qinzhou City, which forged two barter trade contracts that exchanged zinc ingots and zinc oxide for cars.

The Guangxi Regional CPC Discipline Inspection Commission, the Guangxi Regional Public Security Department, and the Nanning Customs have set up an investigation group to handle this case, and the case is still being investigated now.

According to statistics, since 1992 Guangxi has cracked 164 smuggling cases, seized 1,293 smuggled vehicles, 1,697 smuggled motorcycles, 8,434 smuggled color television sets, 16,077 smuggled air conditioners, 23,574 smuggled compressors, and other smuggled goods. The total value of such smuggled goods has reached 469 million yuan.

According to the responsible customs official, China cracked only four smuggling cases involving an amount of over 100 million yuan in the past more than 40 years.

Hunan Officials View Jiang Zemin Speech on Corruption

HK0109142493 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 24 Aug 93

[Text] On 21 August, leading comrades of the provincial party committee, the provincial people's congress standing committee, the provincial government, the Chinese People's Political Consultative Conference provincial committee, the provincial military district, the provincial commission for discipline inspection, the provincial procuratorate, the provincial court, and the provincial armed police corps gathered to watch, listen to, and conscientiously discuss General Secretary Jiang Zemin's important speech at the Second Plenary Session of the Central Commission for Discipline Inspection.

During the discussion, all present unanimously agreed that, on behalf of the Central Party Committee, Comrade Jiang Zemin solemnly set forth in his speech the important political task of anticorruption to be fulfilled by the whole party. This speech is our strong ideological weapon for further enhancing the building of party style and clean government and profoundly launching the anticorruption struggle, and we resolutely support it. Moreover, we must definitely integrate the speech with our province's reality to implement it in a conscientious manner.

During the study and discussion, leading comrades of the provincial party committee said that our province must pay attention to the following three tasks: First, we must conscientiously organize leading comrades at various levels to restudy a series of Comrade Deng Xiaoping's important expositions on correcting our party style, enhancing the building of a clean government, and countering corruption; we must study Comrade Jiang Zemin's important speech and the guidelines set forth by the Second Plenary Session of the Central Commission for Discipline Inspection; and we must further reach a common understanding through the study and be fully aware of the importance of the anti-corruption struggle. Second, we must conscientiously investigate and deal with large and important cases, with an emphasis on

investigating and dealing with cases of laws broken and discipline violations committed by leading party and government organs and their leading cadres, judicial departments, executive and law-enforcement departments, economic and administrative departments, and their personnel. Third, we must firmly check the unhealthy tendency among cadres, with which the masses are most dissatisfied. We must presently concentrate our energies on checking the unhealthy tendency of state organs and their subordinate departments to take advantage of their positions and power to collect unreasonable charges under all sorts of pretexts and to use public funds to go on tours overseas.

Southwest Region

Guizhou Leader on Jiang Anticorruption Speech

HK0109005493 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 21 Aug 93

[Text] The Guizhou Provincial CPC Committee Standing Committee called a meeting yesterday [21 August] to conscientiously study General Secretary Jiang Zemin's important speech on the anticorruption struggle which he made during the second plenary session of the CPC Central Commission for Discipline Inspection, as well as to discuss our province's work in the anticorruption struggle and its advocacy of honest government. The meeting urged party committees and governments at various levels to fully understand the importance, urgency, and long-term nature of the anticorruption struggle, resolutely work according to the central authorities' plan to conscientiously solve several major problems that must be solved immediately, and achieve marked results in the near future.

Comrades attending the meeting held that Comrade Jiang Zemin's speech was very important and timely, and that it enjoyed immense party and popular support. The speech, which was a mobilization to strengthen the building of party style and honest government and to uphold the anticorruption struggle, was another major policy decision and plan of the party Central Committee, and all of the meeting's participants unanimously expressed their firm support and determination to implement it in our province.

Provincial party Secretary Liu Fangren presided over the meeting and made an important speech, in which he said: Some corrupt phenomena that currently have arisen are severely undermining the party, damaging its image and prestige, and are constantly corrupting the people's minds and obstructing the smooth progress of reform, opening up, and economic construction. If such a development is allowed to spread, it undoubtedly will endanger the destiny and the future of our party and state. Our party and state will be in danger of falling if we fail to develop our economy and if we cannot effectively solve the problem of corruption. We must be soberly aware that reform and opening up is a long-term process and that the anticorruption struggle also is a long-term

matter. We must treat the anticorruption struggle as an important matter for the construction of our party and our regime. It is necessary to work in accordance with the party Central Committee's plan to conscientiously do a good job in solving several current major problems and achieve marked results in the near future.

After analyzing some characteristics of the current corrupt phenomena, Comrade Liu Fangren pointed out that the anticorruption struggle must have a clear direction, that we must strive to keep the initiative of the anticorruption work in our own hands, and that we should be clear about the following several points:

First, leading party and government cadres at various levels should take the lead in being honest and self-disciplined. First of all, members of the provincial party committee standing committee and those working in the front line—such as leaders at the provincial level and cadres in prefectures, departments, and bureaus—must set an example in behaving themselves, and also discipline well both their children and the subordinates working at their side. Officials at a senior level must discipline their immediate subordinates, and the former must play an exemplary role. Regarding violations of discipline and cases of law-breaking in which leading organs and cadres are involved, we must get over all kinds of obstructions to carry investigations through to the end and handle them seriously. To enhance the ability of vast numbers of cadres to resist corruption and to prevent some comrades from making mistakes, party and government organizations at various levels must intensify the education of leading organs and cadres; study a series of Comrade Deng Xiaoping's important expositions on correcting our party style, strengthening the building of an honest government, and opposing corruption; restrain themselves more vigorously; try to educate them, keep a lookout for corruption, give warnings, and check erroneous tendencies at the outset.

Second, we must be determined to rectify malpractices in departments and trades. Malpractices in departments and trades are not simply a corrupt phenomenon, but one that is visible and tangible, directly infringes on the immediate interests of grass-roots units and the masses, and is detested by the people. Various departments and trades must proceed from their own real conditions and solve every outstanding problem so that the plan of the work for rectifying malpractices can achieve marked results instantly. To rectify malpractices in departments and trades, we must implement a system in which leaders are responsible for the work. This is not merely a disciplinary requirement on leading cadres themselves, but more importantly, leading cadres are required to be responsible for the building of an honest government in their own departments and units. If something goes wrong with personnel within or subordinate to one's department or unit, one must not only seriously examine and punish those concerned, but their superiors also must be held responsible for the wrongdoings.

Third, the anticorruption struggle must be conducted in close combination with the implementation of major reform measures and with administrative and economic policy decisions. We must pay close attention to key points and links where the interests of reform may clash with construction, conscientiously analyze the corruption issue of [words indistinct], strengthen foresight, and take precautions in advance.

Fourth, the relevant phenomena are highlighted in the economic field by the practice of trading away power for money, and by graft and bribery; in the political field by appointment through favoritism and [words indistinct]; and in ideology and work style by severe bureaucracy and dereliction of duty. As far as these problems are concerned, we must be ideologically prepared to deal with them for a long time. Moreover, we must have a sense of urgency and take vigorous measures to deal with them immediately.

In conclusion, Comrade Liu Fangren stressed: There is a variety of causes accounting for corruption, so in the course of the anticorruption struggle we must pay attention to both the root cause and the symptoms, and deal with them in a comprehensive way. The top priority task is to pool our strength to investigate and deal with a number of major and important cases, with the emphasis on investigating and dealing with violations of discipline and cases of law-breaking committed by leading organs, leading cadres, judicial departments, executive and law-enforcement departments, economic administrative departments, and their functionaries. I hope these units will play an exemplary role, otherwise it will be difficult to win the people's confidence. Discipline inspection, supervisory, and judicial organs will be neglecting their duties if they do not insist on the serious investigation and punishment of violations of discipline and cases of law-breaking, and to a larger extent party committees and governments will be neglecting their duties if they do not support discipline inspection, supervisory, and judicial organs' investigation and punishment of violations of discipline and cases of law-breaking. Hence, we must reach a common understanding.

Once attention is being paid to a case, no matter who is involved in the case we must overcome obstructions, strictly enforce discipline, carry the investigation through to the end, and deal with it solemnly by relying on the legal system. In the near future, on the basis of verifying the issue and making it accurate, we must select several typical cases and expose them to the public so as to inspire people and mitigate popular indignation, thus increasing the social effect. The anticorruption struggle must be grasped in combination with the construction of leading bodies. Leading cadres, and especially leading cadres who are party members, must play an exemplary role. It does not work to convince people by force and it is inadequate to convince people by reasoning, so we still must convince people with virtue.

To check corruption once and for all, we must uphold the principle of being firm and enduring, have reform in

mind to solve problems at the deep level which are related to the system and policies, and eliminate the soil and conditions for breeding corrupt phenomena. We must strengthen the mechanism of supervision and restraint so that vast numbers of party members, and leading cadres at various levels in particular, can be under the supervision of party organizations and the masses, and can standardize their actions and restrain themselves in line with the system. We must strengthen the work in ideology and politics, enhance moral integrity, give vigorous publicity to advanced typical experience, overcome evil-doing by promoting justice, and form a good social atmosphere and good circumstances of public opinion.

State Supports Economic Construction in Tibet

HK0109080993 Beijing ZHONGGUO XINWEN SHE
in English 0700 GMT 31 Aug 93

[Text] Lhasa, August 31 (CNS)—The state has invested nearly RMB 1 billion in Tibet this year in order to support its economic construction.

According to statistics, since 1959 when the autonomous region was peacefully liberated, the central government has invested more than RMB 20 billion in the region with 43 projects being constructed in the mid-1980s by the central government while at the same time basic facilities for society, culture and the economy in the region started to be set up.

At present, with the aid of the central government, the construction of 14 key projects with energy and transport items as the core has been proceeding smoothly. A five-kilometre diversion works for a hydro-electric power plant with an installed capacity of 112,500 kilowatts will be completed next month while the main building for the Gonggar Airport has been completed and construction has started on Bangda Airport.

Yunnan Secretary Views Economic Development

HK0109152293 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 25 Aug 93

[Text] At the forum of secretaries, commissioners, and mayors of the prefectures, autonomous prefectures, and cities held yesterday, Secretary Pu Chaozhu stressed: Yunnan's economic development has been normal and healthy and has exhibited sound momentum since last year. At the same time, it is necessary to squarely face the new circumstances and problems that have surfaced in the course of progress and implement the relevant spirit of the central authorities in a down-to-earth manner. Pu stated: Yunnan's investment in fixed assets should continue to be focused on transportation, energy, communications, water conservancy, and other basic facilities. It is necessary to curtail nonproductive projects to ensure the key construction projects. We should continue to spread the experience of the urban-rural combination, the science-economy combination, the opening

up-development combination, and the agriculture-industry-commerce integration [three combinations and one integration] summed up by the provincial party committee. The sound momentum of Hunan's township enterprises should continue to be maintained.

Pu Chaozhu pointed out: There is a problem with the rational flow of qualified personnel in deepening rural reform and taking the road of the "three combinations and one integration." We should give our support to the cadres, scientists, and technicians from party and government organs, universities and colleges, scientific and technological research institutes, and large and medium enterprises who are willing to run economic entities and township enterprises in rural areas for the purposes of developing resources, technology, and helping the poor. This is entirely different from businesses run by party and government organs, and the two cannot be lumped together. Moreover, some mountain and ethnic minority areas have encouraged cadres of organs to run tertiary industry and engage in circulation businesses, but they should separate themselves from the organs. They are not allowed to abuse power to monopolize trade, speculate in sought-after goods, or get involved in smuggling.

On the question of funds, Pu Chaozhu said: At a time when there is a shortage of funds in Yunnan, we should use every means to ensure that farm produce is purchased; we should never issue IOU's. We should insure the bank's payment and credit as well as the key construction projects.

In conclusion, Comrade Pu Chaozhu emphasized: It is necessary to strengthen construction of the leading bodies at all levels. The new leading bodies elected this year should organize cadres to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the market economy, should upgrade their theoretical level, should improve their ideological style, and should do a good job of their work.

At yesterday's forum, the comrades responsible for work at the prefectures, autonomous prefectures, and cities analyzed the successes and problems in their economic construction and held the consensus view: The spirit of the relevant central documents and the policy decisions on strengthening party building and fighting corruption and smuggling are absolutely correct and timely. They expressed their determination to unify thinking with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, to strengthen party leadership and style, to pay equal attention to economic construction and the struggle against corruption and smuggling, to emancipate the mind, to seek truth from facts, and to seize the opportunity for accelerating the pace of reform and development.

Zhao Shumin, standing committee member of the provincial party committee; Wang Guangxian, standing committee member of the provincial party committee and vice governor; and vice governor Huang Binsheng were present on the occasion.

Fake Cigarette Dealer Given Death Penalty in Yunnan

HK0109072693 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 26 Aug 93

[Excerpt] The Yunnan Provincial Higher People's Court held a sentencing rally in Kunming's Guofang Theater today [26 August] to pronounce the verdict made according to law on the case of selling fake Hongtashan cigarettes, the biggest of all similar cases in the province and the country.

Qiu Chuangjiao, president of the provincial higher people's court, adopting the death warrant signed by Ren Jianxin, president of the Final Court [as heard], pronounced a death penalty on Han Shulin for immediate execution.

From February to July 1992, criminal Han Shulin teamed up with Liu Chuansheng and some others and formed a speculating gang. Carrying forged military officer ID's and wearing Army uniforms with lieutenant colonel emblems, but without funds, fixed business venue, or business licenses and tobacco monopoly tax, they usurped the name of Unit 39518 of the People's Liberation Army and the name of the Kunming production base of the Chengdu Military Region, collaborated with the manufacturers and sellers of the fake brand cigarettes in Yunxiao County, Fujian Province, and said that the Army was co-producing Hongtashan cigarettes with Yuxi Cigarette Factory. They managed to conclude 11 contracts with the Quyang County Tobacco Company of Hebei Province and some other units on the sale of hard-carton, soft-packet 84 mm Hongtashan Brand cigarettes. The contracts specified a total supply of 37,450 boxes, 1.8725 million cartons. The money involved in the illicit transactions totaled over 96 million yuan. The gang collected advance payments of 7.94 million yuan from those units.

After the procuratorial authorities of our province cracked this case, they sealed off and destroyed 1,270 boxes and recovered part of the illicit money.

The Kunming City Intermediate People's Court held an open trial of the case and, pursuant to the relevant stipulations in the Criminal Law of the People's Republic of China and the National People's Congress Standing Committee's decision on sternly punishing criminals who seriously undermined the economy, sentenced criminal Han Shulin to death on charges of speculation and profiteering with permanent deprivation of political rights. After Han Shulin appealed against the judgment, the Yunnan Provincial Higher People's Court held a second hearing and the Supreme People's Court reviewed and upheld the original verdict, ratifying the death penalty for Han Shulin. [passage omitted]

North Region

Beijing Secretary on Small Industrial Zones

SK0109112293 Beijing BEIJING RIBAO in Chinese 18 Aug 93 p 1

[By correspondent Wang Yonghua [3769 3057 5478] "We Must Do a Good Job in Operating Small Industrial Zones in the Capital's Suburbs To Promote Better and Faster Development in the Municipal Economy"]

[Excerpts] When inspecting the construction of small industrial zones in the capital's suburbs on 17 August, Chen Xitong, secretary of the municipal party committee, stressed that it is imperative to successfully operate small industrial zones and pointed out that these zones are where the municipality's hope and reserve strength in economic development lie.

The municipal leaders, including Chen Xitong, Wang Baosen, Yang Chaoshi, Duan Bingren, Lu Yucheng, and Duan Qiang, first came to Changping County to look into the sand table of plan for the scientific and technological park and to hear the briefing on the plan. The Changping scientific and technological park is a component part of the Beijing Municipality's experimental zone of developing new-tech industries. The municipality began building the park in 1991 and the construction of more than 80 percent projects of infrastructures, including roads, water and power supplies, water and waste water drainage, and communication in the park has been accomplished. The number of established new-tech enterprises in the park reaches 162 and of these enterprises, 80 have been put into production or operation. By the end of July this year, these enterprises realized 140 million yuan of incomes derived from technologies, industries, and trade. After having heard the briefing on the waste water drainage, Chen Xitong said: In building small industrial zones, various districts and counties should pay attention to protecting their environment and in particular, by no means should the districts and counties along the water-diverting canal between Beijing and Miyun County pollute the canal. When hearing the measure of "formulating plan first and carrying out construction later" and "building underground facilities first and ground facilities later," Chen Xitong said: We must uphold the measure because it is a very important principle. Then, the municipal leaders looked into the construction sites in the park and visited the Qiba-Jiaji Pharmaceutical Company Ltd. jointly run by Beijing and Swiss. They also met the company's foreign manager and held talks with him, in which they wished a success in the cooperation of both sides. [passage omitted]

During their visits in the counties of Pinggu, Daxing, and Huairou, Chen Xitong made speeches in which he said: The idea of building small industrial zones has been put forward after the issuance of important speeches given by Comrade Deng Xiaoping during his inspection tours in the south and in the course of mass discussion on

emancipating minds. In more than one year these small industrial zones have generally achieved healthy development in an orderly and planned manner. The advantage of these zones is in conformity with the needs of situation. The people throughout the country, particularly the people across the municipality, have been inspired with the spirit of Comrade Deng Xiaoping's important speeches made during his inspection tours in the south and been eager to accelerate the economic development. Many foreign businessmen have also settled on the markets in China and vied to invest their money in China. During the January-July period this year, the daily average number of approved foreign-funded enterprises of three types reached 12. If we fail to build small industrial zones, we will be unable to accommodate both domestic and foreign investments and to meet the needs of economic development.

In his speeches Chen Xitong also numerated the following other advantages of small industrial zones: These zones are favorable for realizing integration between urban and rural areas; for fostering a tight combination between urban and rural economy; and for having urban and rural areas supplement each other in strong points, mutually achieve development, and mutually improve themselves. From the long-term point of view, these zones are favorable for eliminating the gap between urban and rural areas, for enabling the arrangements for the municipal overall plan to become more rational, for the capital to draw up new divisional regions on its territory of 16,800 square km, and for the construction of satellite cities and towns with a trade fair. Along with the situation development, every seat of counties across the municipality will become a satellite city. What is very important for the municipality to develop satellite cities is to avoid the extreme concentration of population in urban areas. However, in building satellite cities, we must rely on economic development. By regarding small industrial zones as a pillar and building well satellite towns with a trade fair can we have peasants give up their farming work to open a business without leaving their hometown and can we narrow the gap between urban and rural areas. While reforming, improving, and enlivening the state-owned large and medium-sized enterprises, we may develop a large number of new enterprises among small industrial zones and enable these enterprises help each other forward so as to have the municipal economy achieve better and faster development. We may also avoid the waste and irrational phenomenon of various categories, which have been caused by "mobilizing every village in this regard" and carrying out construction arbitrarily. After the complete construction of small industrial zones, economic results will become quite obvious by the last period of the "Eight Five-Year Plan". Thus, these zones are where the municipality's hope and reserve strength in economic development lie. It may be also said that these zones represent the municipal "projects of hope" in its economic construction.

Chen Xitong stressed: The principal leading personnel of party and government organs in the municipality's suburban districts and counties should earnestly implement the important policy decisions made by the CPC Central Committee and the State Council with regard to enhancing the macro readjustment and control and successfully conducting the economic work at present. They should continuously do a good job in building small industrial zones. The construction of small industrial zones represents a big even in which a large number of leading cadres will train themselves in the course of practice. Therefore, various comprehensive departments should enthusiastically support the construction and make active contributions to it. The construction of roads in the zones should be firmly grasped, funds should be raised through multiple channels, and the short and difficulties of energy resources should be overcome. All in all, we should do what we are capable and do as much as we can.

In his speeches he also urged the leadership of suburban districts and counties to firmly grasp agricultural production, to make early preparations for the possible autumn drought, and to adopt every possible way and means to ensure the increase of grain output.

Chen Xitong Issues Directives on National Sports

*SK0209100793 Beijing BEIJING RIBAO in Chinese
24 Aug 93 p 1*

[Excerpts] As of 23 August, there are only 12 days left for the opening of the seventh national sports games, which has been set on 4 September. The municipal party committee and the municipal people's government jointly sponsored a conference of leading cadres from various districts, counties, and bureaus across the municipality yesterday. It was stressed at the conference that the municipality's central work at present is to greet and successfully host the seventh national sports games. Leaders and the mass at all levels should carry forward the spirit displayed in the Asian Sports Games, attach great importance ideologically on the games, be united and cooperated, ensure safety in the games, and do a good job in hosting the grand athletic meeting.

The responsible person of the organizational committee for the seventh national sports games delivered a report at the conference on the preparations for the games. [passage omitted]

Chen Xitong, secretary of the municipal party committee, delivered a speech at the conference, in which he stressed: The municipality's central work at present is to greet and successfully host the seventh national sports games. Comrades who have not been clear about the central work must have a clear understanding of it and integrate their work in various fields with the games. The leadership at all levels and the vast number of people must carry forward the spirit displayed in the Asian Sports Games, such as cherishing China, winning honor for the country, being united and cooperated, making contributions selflessly, trying utmost indomitably, and

striving to score first-grade achievements. They should also play a good role of hosts in the games, enthusiastically receive honored guests, and make the national sports games perfect and successful. He said: During the seventh national sports games, the municipality will receive a large number of domestic and foreign friends. Therefore, the national sports games will impose on the municipality a mass inspection over the capital's social morale and over the municipal construction of spiritual and material civilizations as well as on the municipality a great promotion or appraisal over the municipal work in various fields. Beijing has successfully hosted many international sports events, including the Asian Sports Games. Shanghai also succeeded in hosting the East Asian Games. The success of the seventh national sports games will indicate that China and its capital, Beijing, are able to successfully organize large-scale and grand athletic meetings. The games also represent an opportunity for us. The leadership at all levels must be responsible for the games and do a good job in hosting the games.

Attending the conference were Zhang Baifa, Wang Baosen, Wang Tong, Zhang Baokang, Ouyang Wenan, Yang Chaoshi, Duan Bingren, Qiang Wei, Meng Zhiyuan, Lu Yucheng, He Luli, Li Runwu, Meng Xue-nong, Su Zhongxiang, Chen Dabai, Lu Songhua, Li Bokang, Wang Zhaoyue, Fan Yuanmou, Du Shenwei, and Wan Siquan.

Inner Mongolia Chairman Visits Flood-Stricken League

SK0209095993 Hohhot NEIMENGGU RIBAO in Chinese 21 Aug 93 p 1

[Excerpts] Wu Liji, chairman of the autonomous regional government, led a group to the Horqin Right Wing Middle Banner of Hinggan League on 18 August to express sympathy and solicitude for the cadres and the masses in flood-stricken areas and to arrange disaster relief work. Accompanied by Li Xiangping, head of the Hinggan League Flood-Control Headquarters and head of the league, Chairman Wu braved the wind to go to Zhaoshayingzi in Haoyao Sumu, which was besieged by floods for half a month. In the shacks of flood victims, Chairman Wu asked about their life in detail. He encouraged the cadres and the masses of the flood-stricken areas to unite as one and rely on their own efforts to conquer the disaster, rebuild their homes, and win an overall victory in the antiflood and relief work.

Hinggan League was hit by heavy rain and torrential rain continuously from late June to early August. Torrents of water rushed down mountains, affecting more than 200 rivers in the league and causing the most serious flood since 1957. In the 80 towns, townships, and sumu hit by the flood throughout the league, 15,000 houses collapsed, and more than 1.5 million mu of farmland were destroyed, incurring an economic losses of about 249.4 million yuan. Horqin Right Wing Middle Banner, a

poverty-stricken banner of the country, was hit most seriously, suffering a direct economic loss of 120 million yuan. [passage omitted]

After hearing the reports by the party and government leaders of Hinggan League, Chairman Wu Liji said that the autonomous regional party committee and government were deeply concerned about the disaster of Hinggan League. He expressed sympathy and solicitude for the Hinggan League party committee and commissioner's office, the Horqin Right Wing Middle Banner party committee and government, and the people of the disaster-stricken areas on behalf of the autonomous regional party committee and government. He pointed out: Hinggan League has suffered serious damage. Horqin Right Wing Middle Banner has been hit even more seriously by the disaster, one unheard of in 100 years or several hundred years. Thanks to the effective leadership and command of the league and the effective emergency rescue and relief measures, the 200,000 people in the banner united as one to fight the flood and achieved initial success in the antiflood and emergency rescue work. In the half-month brave struggle against the flood, leaders of the various major leading bodies of the league and the banner took the lead and went to the forefront to combat the flood with the masses, thus maintaining the close flesh-and-blood relations between the party and the people. Showing concern to one another, the masses of various nationalities and other localities have displayed the fine style and donated money and materials. This was very touching. [passage omitted]

Tianjin Secretary Addresses Standing Committee Meeting

SK0209100293 Tianjin TIANJIN RIBAO in Chinese 23 Aug 93 p 1

[Excerpt] On the morning of 21 August, responsible comrades of municipal departments concerned listened to Comrade Jiang Zemin's important speech delivered at the second plenary session of the Central Discipline Inspection Commission. That day afternoon, Gao Dezhan, secretary of the municipal party committee, presided over an enlarged Standing Committee meeting attended by members of the Standing Committee of the municipal party committee and of the municipal government leaders to conscientiously study and discuss Comrade Jiang Zemin's important speech. Gao Dezhan stressed: Efforts should be made to fully under the major significance of launching an anticorruption struggle, realistically strengthen leadership, further grasp this struggle well, and strive to achieve noticeable results in the near future. The meeting also proposed ideas for arranging and implementing this work.

During study and discussions, Gao Dezhan said: The important speech of Comrade Jiang Zemin has comprehensively analyzed the present situation of building party style and a clean government and of launching an anticorruption struggle, profoundly expounded the

importance and urgency of launching an anticorruption struggle under the new situation, and put forward explicit demands on the tasks and principles which we must do and know well while fighting corruption in the near future. Comrade Jiang Zemin's important speech has fully embodied the strategic principle of Comrade Deng Xiaoping on "taking a two-handed approach and be tough with both," stated clearly the party Central Committee's consistent ideology and firm confidence in resolutely fighting corruption and reflected the common desire of the whole party and all the people. Conscientiously implementing Comrade Jiang Zemin's important speech and strengthening the building of party style and a clean government and launching an anticorruption struggle are of extreme importance in intensifying the party's cohesion and fighting capacity, comprehensively implementing the party's basic line, guaranteeing the smooth progress of reform, opening up and the modernization drive, strengthening the building of socialist spiritual civilization and maintaining a long period of order and stability.

Gao Dezhan said: Judging from the general situation, most of the party members and cadres of our municipality are honest in performing their official duties, and the main trend of party style is good. However, passive and corrupt phenomena have really existed, and some problems are fairly serious. We must not lower our guard in this aspect and underestimate the seriousness and harmfulness of these corrupt phenomena. Opposing corruption and strengthening the building of party style and a clean government is an inevitable demand of implementing the party's basic line and an important guarantee for concentrate energy on pushing the economy forward. The municipal party committee and the municipal government should realistically strengthen leadership over the anticorruption struggle. The principal leaders of party and government organs at all levels should personally grasp this work, establish the responsibility system, grasp the work at each level, make one level bring along the work of the next level, clearly define the work priorities, strictly grasp the policies, strengthen work guidance, inspect and supervise the work, be determined to firmly and realistically carry out this work until good results are achieved, and continue to consolidate and develop the excellent situation.

Comrades participating in the study and discussion expressed that they would resolutely support the work plans of the party Central Committee on opposing corruption and strengthening the building of party style and a clean government, maintain a high degree of unity with the party Central Committee and firmly grasp this major political task with great determination and effective measures. The enlarged Standing Committee meeting of the municipal party committee also made arrangements for implementing the guidelines of Comrade Jiang Zemin's important speech and of the second plenary session of the Central Discipline Inspection Commission in line with the reality of our municipality. [passage omitted]

Northeast Region

Heilongjiang Secretary Views Enterprise 'Grafting'

SK0209100093 Harbin HEILONGJIANG RIBAO in Chinese 18 Aug 93 p 1

[By correspondent Ma Daozi (7456 6670 1311): "The Important Way To Transform State-Owned Large and Medium-Sized Enterprises Is To Implement the Shareholding System and 'Grafting'"]

[Excerpts] On the morning of 17 August, Sun Weiben, secretary of the provincial party committee, held a forum of plant directors (managers) of state-owned large and medium-sized enterprises, including the Jiamusi city Paper Mill, the Jiamusi city Electric Machinery Plant and the Jiamusi city Textile Printing and Dyeing Plant, and said that the important way to invigorate and transform state-owned large and medium-sized enterprises is to implement the shareholding system and "grafting." [passage omitted]

At the meeting, Sun Weiben gave a summing-up speech. He said: The ideas of the participants are very good, showing that they have used their brains. Invigorating large and medium-sized enterprises is an extremely urgent and major affair of the whole province. We should first enhance our sense of urgency. Second, we should have courage to step forward and to practice. On the one hand, we should enable large and medium-sized enterprises to enter a higher grade and to improve themselves through "grafting" and transformation, and on the other hand, invigorate state-owned large and medium-sized enterprises by urging them implement the shareholding system. Third, enterprise leaders should grasp this work reassuredly, freely and boldly, and should not fear of taking risks. As long as they refrain from hiding money in their pockets, they will surely be protected. If some people really create difficulties for enterprises, the provincial and city authorities will stand up and speak.

Sun Weiben also said: In the case of large and medium-sized enterprises of ordinary industries, turning the contract system into the shareholding system will be an inevitable trend. There are many noticeable advantages for state-owned enterprises to implement the shareholding system. First, the property right relationship is clear, which is conducive to developing lateral cooperation among enterprises and, in particular, organizing enterprise groups and implementing the shareholding system will enable enterprises to break with the practice of not changing the ownership, the relationship between enterprises and the financial and tax channels and to realistically give play to the integrated advantages of enterprise groups. Second, inducing workers to buy shares and linking the hearts of the shareholders is a very effective form for mobilizing the workers' sense of responsibility of being masters of the state. Third, the shareholding system is beneficial to collecting funds for

transforming and developing enterprises. The limited companies may increase funds by issuing shares and the limited-liability companies may also absorb funds from the legal persons of enterprises and institutions. These forms of collecting funds are more conducive to developing enterprises than to take bank loans and issue stock. Fourth, this is an effective way for separating government functions from business management and is helpful to realistically changing the operational mechanism of enterprises and enabling enterprises to realistically become independent socialist commodity producers and managers assuming sole responsibility for their own profits and losses.

Jilin Develops Policy To Eradicate Corruption

SK2808104493 Changchun JILIN RIBAO in Chinese
10 Aug 93 pp 1, 4

[By correspondent Xin Lijuan (6580 7787 1227): "The Jilin Provincial Party Committee and Government Work Out Arrangements for Especially Correcting Unhealthy Practices Within Trades and Deeply Waging the Struggle Against Corruption"]

[Text] To deeply wage the anticorruption struggle and to create a good social environment for building Jilin into a well-developed border province near the sea, the provincial party committee and the provincial government held a forum in Jilin city a few days ago to especially correct the unhealthy practice within departments and trades. The forum relayed the guidelines of the forum on especially correcting unhealthy practice that was sponsored in Nanning by the State Council. Nine units, including the Jilin city party committee and government, introduced their experiences at the forum. Wang Jinshan, deputy secretary of the provincial party committee, made a speech at the forum.

The forum pointed out: We should accurately estimate the situation in the improvement of party style and administrative honesty, regard the deepening of the anticorruption struggle as a great matter, and attend to it. Since the implementation of the reform and open policies, particularly since the fourth plenary session of the 13th party Central Committee, the provincial party committee and the provincial government have worked in accordance with the unified arrangements and requirements of the party Central Committee and the State Council, persisted in the basic line of one center and two basic points, implemented the principle of firmly grasping reform and opening up with one hand and the improvement of two civilizations with the other, had a clear understanding about the struggle against corruption, adopted a firm attitude toward the struggle, proceeded from the reality of Jilin to work out a series of policies and principles, and adopted a series of effective measures to oppose corruption. The discipline inspection departments and the supervisory departments at various levels have firmly taken the economic construction as a key link, made efforts to bring their functions into play, and positively and deeply promoted the

improvement of party style and administrative honesty and the progress of the struggle against corruption. Viewing the overall situation, we know that we have made achievements in the struggle, the main stream of the vast number of party members and cadres is good, and the major aspects of party style are good. However, we must not underestimate the existing problems. We should notice that the work in some aspects is neither proper nor efficient. Some localities and units fail to effectively implement the anticorruption decisions and measures of the party Central Committee and the provincial party committee. Some localities and units talk much but do little. Some set anticorruption against the development of the economy. Some are strong in some aspects of the work but weak in the other aspects of the work. Some leading organs and leading cadres fail to play an exemplary role and refuse to resist and deal blows to the corrosive phenomena and the unhealthy practice. Some even intercede for and give unprincipled protection to somebody so that some law and discipline breakers will not properly be punished. All this affects the deep progress of the struggle against corruption. As a result, some localities and units do not persistently attend to the struggle against corruption and fail to make noticeable achievements.

With the failure to effectively do the jobs and the deficiencies in the replacement of the old systems by the new ones, we are confronted with many new situations and problems in opposing corruption, and the negative and corrupt phenomena tend to develop and spread unchecked in some localities. The situation is still very serious. A noticeable feature of corruption in the new situation is commercializing power and trading in power with money. These corrupt phenomena and unhealthy practices seriously corrode the party-member cadres contingents, damage the image of the party and the government, discredit reform and opening up, and affect the relationship between the party and the masses. Now, it is time to solve these problems. The forum stressed that we must clearly understand that persistently conducting the anticorruption struggle is a proper aspect of the subject of building socialism with Chinese characteristics, an essential requirement for persisting in the principle that the basic line of the party must not be shaken for a century, an urgent demand for consolidating the party's ruling position, and a necessary condition for developing the socialist market economy. We should be clear-headed and prepared for danger in times of peace. We must neither be insensitive nor lower our guard.

The forum further pointed out: We should strengthen the extent of the anticorruption struggle, concentrate special efforts to wage the anticorruption struggle, and deeply correct the unhealthy practice within departments and trades. The provincial party committee decided that from now to the end of this year, the party and government organs at various levels across the province, particularly the economic management departments, the departments for supervision over the enforcement of laws, and the units of public utilities, should especially

correct the unhealthy practices within departments and trades that the masses have the strongest complaints against. The work priority is to concentratively eliminate the unhealthy practice of abusing power and trade monopoly to seek private gains.

We should concentrate efforts on solving the following few points: First, we should straighten out and correct the problems of abusing power to engage in trade monopoly and to seek private gains for departments and individuals. Particularly, we should straighten out the problems of abusing power to engage in business, to forcibly make deals, and to unlawfully seek higher incomes, of using government functions to forcibly offer unreasonable paid service and to trade in power with money, of not handling affairs for those who refuse to give advantages and wantonly handling affairs for those who give advantages, and of accepting gifts and negotiable securities. Second, we should straighten out and correct the problems of sabotaging the interests of enterprises and adding burdens to enterprises and the people. We should conduct "three clears-up," "two investigations," and "one consolidation" of the problems emerging from the latter half of 1990. That is, clear up the unhealthy practice of relevant departments wantonly collecting funds, organizing classes, and apportioning expenses in various names; clear up the problems of trade management departments abusing power and adopting various forms to indiscriminately transfer and embezzle enterprises' manpower, financial resources, and material resources; and clear up the problems that a tiny number of working personnel of departments and trades apportioning expenses from enterprises and submitting expense accounts to enterprises. Investigate the higher departments' implementation of the documents concerning reducing enterprises' burdens and the local departments' implementation of the documents concerning adding enterprises' burdens and investigate the accounts of trade management departments and enterprises. Consolidate the work style of departments and trades to promote the change of government functions and the smooth progress of the reform of enterprise managerial mechanisms. Simultaneously, we should continue to reduce the peasants' burdens and correct the unhealthy practice of the rural grass-roots trades. In the course of especially correcting the unhealthy practices within trades and departments, we should regard the enhancement of the ideological education and the improvement of the quality of contingents as the basic link of improving the trade styles and always attend to it. Second, we should attend to both positive and negative typical examples and particularly investigate and handle the typical cases to be exposed by correcting the unhealthy practice within trades and departments. Third, we should pay equal attention to correcting unhealthy practice and setting up systems and strengthen the setup of systems in the course of deepening reform.

The forum stressed: We should realistically strengthen the organizational leadership and make achievements in resolutely correcting the unhealthy practice within trades

and departments. The party committees and governments at various levels should pay high attention to the correction of unhealthy practice, bring it into important work agenda, and attend to consolidating such trades as financial, railway, postal and telecommunications, industrial and commercial, tax, agricultural, and security departments. The departments especially in charge of the work of various professions and trades should regard the correction of the unhealthy practice within trades as an important task for departmental work and trade management, consciously attend to it, and rely on themselves to solve their problems. The discipline inspection and supervisory departments should conscientiously do their duties and bring into full play their functions for supervision, examination, coordination, and guidance in the course of especially correcting the unhealthy practice of trades. Public security organs, procuratorial organs, people's courts, and auditing departments should work initiatively in coordination with one another and bring into full play their functions for supervising the enforcement of laws and discipline. We should strengthen the investigation and handling of cases; and urge and guide trades and departments to achieve consolidation and to strengthen the setup of systems.

The correction of unhealthy practice especially within trades and departments is comparatively complicated and related to policies. The general principle is that we should work out definite regulations on the problems that have been judged accurate to appropriately handle them; and deeply conduct investigations and study to positively give, according to policies, suggestions to higher levels on the problems relating to the overall situation, without a clear line of demarcation between truth and falsehood, and without a clear line of demarcation in applying policies.

The most important factor for especially correcting the unhealthy practice of trades and departments is to grasp implementation. We should work out real measures, use real energy, do real deeds, and stress real efficiency, and avoid practicing formalism or doing things perfunctorily. From now on, we should regard anticorruption and the correction of the unhealthy practice within trades and departments as an important content to assess the work of departments and leading cadres and to judge their political achievements and often conduct supervision and examination. We should strengthen mass media and propaganda and build up a momentum to correct the unhealthy practice of trades and departments so as to express the determination of the party and the government and to enhance the confidence of the masses.

Liaoning Secretary at CPC Standing Committee Meeting

SK0209100893 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 1 Sep 93

[Text] The enlarged Standing Committee meeting of the provincial party committee was held in Shenyang on 1 September.

Present at the meeting were leading comrades of the provincial party committee, the provincial discipline inspection commission, the provincial People's Congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference; secretaries of the city party committees; mayors of cities; principal leading comrades of the party organizations and leading party groups of the provincial auditing bureau and the central organs stationed in Shenyang; and some veteran leaders of the province.

Quan Shuren, secretary of the provincial party committee, chaired the meeting. Yue Qifeng, deputy secretary of the provincial party committee and governor of the provincial government; and Wen Shizhen, Standing Committee member of the provincial party committee and vice governor of the provincial government, respectively relayed the guidelines of Comrade Jiang Zemin's speeches made at the economic work forum of eight provinces, municipalities, and region in north China and northeast China and the forum of some state-owned large and medium-sized enterprises in north China and northeast China.

Quan Shuren, secretary of the provincial party committee, made an important speech on how to implement the guidelines of Comrade Jiang Zemin's speeches.

Quan Shuren pointed out that we should base ourselves on conscientiously studying and comprehensively and correctly understanding the guidelines of Comrade Xiaoping's talks made during his inspection of south China to implement the guidelines of Comrade Jiang Zemin's speeches.

Quan Shuren said: That whether we can eliminate corruption is a matter directly relating to the success in the economic system reform. Thus, we should deeply and accurately understand the nature of the anticorruption struggle and continue to put the anticorruption struggle in the agenda. We should really and firmly attend to the struggle and be sure to make successes in it. The party principal leading cadres should be strict with themselves and resolutely abide by orders and prohibitions. We should concentrate energy on investigating and handling major and appalling cases and eliminate the unhealthy practice relating to party members.

Quan Shuren pointed out: The struggle against corruption is a long-term struggle. It is not a movement. We should attend to the struggle in a down-to-earth manner. We should study the lines of demarcation in applying policies and wage the anticorruption struggle to promote the development of reform, open up, and economic construction along with a healthful orientation.

The meeting also emphatically analyzed the issues of not giving IOU notes to farm and sideline product sellers, expanding wheat sown areas, continuously grasping new economic growth points, expanding the extent of reform of small and medium-sized enterprises, expanding the scale of opening to the outside world, opposing corruption, and dealing blows to smuggling.

Liaoning's Wen Shizhen Addresses Party Plenum

SK0109103793 Shenyang LIAONING RIBAO in Chinese 16 Aug 93 p 1

[By correspondent Sun Desheng (1327 1795 3932): "The Eighth Plenary Session of The Seventh Liaoning Provincial CPC Committee was Held"]

[Excerpts] The eighth plenary session of the seventh Liaoning Provincial CPC Committee was held in Shenyang on the morning of 15 August.

Attending this plenary session were members and alternate members of the provincial party committee, and attending this session as observers were members of the provincial Advisory Commission and of the provincial Discipline Inspection Commission, leading comrades of the provincial People's Congress, the provincial government and the provincial Committee of the Chinese People's Political Consultative Conference, members of the economic strategy consulting nucleus group of the provincial party committee, and principal responsible comrades of the provincial party committee and government organs, central units stationed in Shenyang and party and government organs of various cities, a total of 263 people.

The session was presided over by Comrade Quan Shuren, secretary of the provincial party committee. Comrade Wen Shizhen, member of the Standing Committee of the provincial party committee and vice provincial governor, explained the "provincial-city-county-level party and government organizational reform program of Liaoning Province."

Wen Shizhen said: Conducting reform of the administrative management system and of organs is one of the 10 major tasks affecting the overall situation set by the 14th party congress and a strategic measure affecting the overall situation of the socialist modernization drive. At present, the party, government and mass organs at all levels across the province are seriously overstaffed. The number of provincial party and government organs exceeded the quota approved by the central authorities during the 1983 organizational reform by 42, or 87 percent; and the number of staff members exceeded the personnel quota by 18.5 percent. The number of city-level party and government organs exceeded the ceiling stipulated by the central authorities during the 1983 organizational reform by 24, or 48 percent; and the number of personnel exceeded the quota by 18.5 percent. The number of county and county-level city party and government organs exceeded the quota approved by the central authorities during the 1983 organizational reform by 100 percent; and the number of personnel exceeded the quota by 37.4 percent. In addition, a large number of nonpermanent organs and institutions "serving as administrative units" have been established at all levels in the province and in cities and counties.

Wen Shizhen pointed out: The unceasing deepening of reform and opening up and the establishment of the

socialist market economy system, in particular, have set forth the new demand of changing the economic operational mechanism and the government functions. The present organizational set-up and the job assignments are increasingly unfit for reform, opening up and economic development. The prominent manifestations are: First, there is no distinction between the functions of the government and those of enterprises, and there are excessive government direct interventions on enterprises' microeconomic management which hinder the change of enterprise operational mechanism and market cultivation; second, the relations in various sectors are not good, and the problems of scrambling for powers and setting irrational or unclear division of duties and responsibilities have existed in varying degrees between governments at the higher and the lower levels and among party and government organs; third, organs are overstaffed, standing in great numbers, the functions are elaborately divided, the organizational set-ups are excessive in number and overlapping, and the financial burdens are heavy; fourth, there are more hands than needed, the efficiency is low, and the work levels and intermediate links are too many, affecting the enhancement of work quality and efficiency. These problems have seriously affected and obstructed our province's economic, political and social development; harmed the prestige of the party and government; hindered the effective implementation of the party's principles and policies and the state and government orders, and are unfavorable for reform, opening up, the development of the socialist productive forces and the building of the socialist market economy system. What we can do now is to reform. We must make up our mind to conduct reform of the administrative management system and organizational reform. This is not only an objective demand of reform of the economic and political systems but also the strong desire of the broad masses of people.

In referring to the characteristics of this organizational reform, Wen Shizhen pointed out: Compared this organizational reform with the previous several times of organizational reform, the biggest difference is that this time we have acted in line with the demand of emancipating and developing the productive forces and conducted a fairly comprehensive reform of the administrative management system and of organizations in line with the objective of building a socialist market economy system. Therefore, in the program, we have strived our best to make all aspects of reform meet the needs of building the socialist market economy and stressed the importance of redesigning and rearranging the administrative functions of governments at all levels in accordance with the demand of building the socialist market economy system; in organizational set-up, we have stressed the necessity of changing the specialized economic management departments with ripe conditions into economic entities in line with the needs of developing the market economy and of temporarily keeping those whose conditions are immature. However, we

must actively cut the size of internal organs and personnel; strengthen the comprehensive economic management departments charged with macroeconomic regulation and control functions, promote the change of old systems into new ones, and accelerate the pace of building the socialist market economy system.

In referring to the major content and priorities of this organizational reform, Wen Shizhen said: This organizational reform is not only to simply abolish or merge some organs or reduce the number of personnel but to keep our eyes at the administrative management system and to comprehensively reform the government's management functions, organizational forms, operational mechanism and management methods. [passage omitted]

On the streamlining of organs and personnel, Wen Shizhen said: Streamlining organs and simplifying administration is an arduous task of organizational reform. The program has implemented the central stipulations and demands in the quota of party and government organs at all levels across the province and in the personnel set-up. According to this program, the number of provincial-level party and government organs should be reduced by 28.9 percent and that of city-level party and government organs should be reduced by 29 percent or so; and county-level organs should be reduced by 47.6 percent. On reducing the number of staff, the central authorities have demanded a reduction of 25 percent or so in the number of local personnel. This is an established target which must be fulfilled.

In referring to the issue of discipline of this organizational reform, Wen Shizhen stressed: The basic principles and demands stipulated in the program are the basic disciplines of this organizational reform. All localities and departments must abide by them conscientiously. [passage omitted]

After the plenary session, the participants held group discussions on Wen Shizhen's report.

Liaoning's Financial Work Report

SK0109112493 Shenyang LIAONING RIBAO in Chinese 15 Aug 93 p 1

[Text] Dai Mingyi, deputy director of the provincial financial department, delivered a report at the third meeting of the Eighth Liaoning Provincial People's Congress Standing Committee on 20 July with regard to the implementation of the financial budget in the first half and work arrangements for the second half.

The report says: The province's financial revenues in the first half reached 7.409 billion yuan, accounted for 45.7 percent of the annual budget, and showed an 8.5 percent increase over the same period of 1992 and a 1.2 percent increase by excluding the factor of making up the losses caused by the grains departments. Major items in the revenues include 7.303 billion yuan of industrial and commercial taxes that accounted for 46 percent of the

annual budget and showed an 8.1 percent increase over the same period of 1992. The increase of industrial and commercial taxes chiefly resulted from the business tax that showed a 500 million yuan and 28.9 percent increase over the same period of 1992 and accounted for 91.7 percent of the increased volume in the tax revenues of industry and commerce. The trend of continuously maintaining a stable increase in the business tax chiefly resulted from the steady development of commodity circulating circles and the further improvement of market systems. The revenues of product taxes and value-added taxes showed a 4.6 percent decrease over the same period of 1992.

The province's industrial incomes reached minus 23 million yuan and showed a 51 million yuan decrease over the same period of 1992. The incomes of commercial enterprises reached 23 million yuan and showed a 13 million yuan increase over the same period of 1992. The province's financial spending reached 5.335 billion yuan, accounted for 32.9 percent of the annual budget, and showed a 5.3 percent increase over the same period of 1992. Calculated in line with the monthly average spending, the province incurred more deficits in the first half. Major items in the spending include the specialized expenditures of various categories, which showed a 4.4 percent increase over the same period of 1992. Of these expenditures, that for the three scientific and technological projects showed an 11.6 percent decrease over and that for supporting rural production showed a 5.2 percent decrease. The decrease in the expenditure for agriculture chiefly resulted from the agricultural projects that were fixed so early in 1992; the funds for the projects, which were appropriated in a timely manner; the agricultural projects fixed by the province for this year are late; and the fund appropriation for the projects this year is slow. The expenditure for capital construction showed a 4.2 percent increase and provided a guarantee for building a number of key projects and for winding up the construction of some projects. The expenditures of administrative funds for various undertakings showed a 15.1 percent increase over the same period of 1992. Of these expenditures, funds for the undertakings of agriculture, forestry, and water conservancy works showed a 17.4 percent increase; those for educational undertaking showed a 13.6 percent increase; and those for administrative management showed an 18.7 percent increase. The increase in the administrative funds for various undertakings chiefly resulted from the influence caused by the issuance of allowances for food, coal, water, and duties as well as from increasing the subsidies for retired personnel. The expenditure of subsidies for price hikes showed a 58.5 percent decrease over the same period of 1992. The decrease scored in the expenditure in this regard this year chiefly results from relaxing the restrictions on the prices of grains, edible oil, and fuel coal. The report says: In implementing the budget, the province still encountered the following problems: 1) The situation of tax revenues being occupied by the banks and being owed by enterprises has not

been relieved and resulted in a slow progress in implementing the budget. 2) The foundation of economic growth has been very weak and the structural contradiction has been more prominent. 3) Most localities across the province have encountered difficulties in financial and fund management. The province's difficulties in financial and fund management is becoming increasingly large because of the slow progress of revenues this year, the more factors of increasing expenditures, the larger volume scored by the province in financial deficits over the past many years, and more funds being occupied. 4) The state large-scale reduction of tax rate for refined oil and some chemical industrial products has exerted larger influence on our province's budgetary incomes. The financial revenue scored in the first half of this year showed a 174 million yuan decrease. 5) In the course of implementing the budget, the state and the provincial authorities issued again some measures that can cause income decrease and 300 million yuan of spending increase. It is very difficult for the financial departments at all levels to handle their financial affairs while enforcing these measures that have currently intensified the financial difficulties.

The report says: Several tasks that should be done in the second half this year are as follows:

1. Efforts should be made to enhance leadership over the work of organizing revenues and to enhance the management over levying. We should adopt realistic measures to concentrate our efforts on organizing revenues. By aiming at the serious tax breaches and coordinating with the national mass inspection over financial and tax affairs, the province plans to conduct mass inspection over the implementation of tax law in the second half. It will emphatically conduct inspection over tax evasions and breaches and over the problems relating to illegal tax exemption and "two funds".
2. Efforts should be made to adopt measures to open new financial resources to relieve the financial difficulties at present. The financial departments at all levels should adequately use the incomes derived from the paid utilization of land, which has been enforced since the beginning of this year, and derived from the charges of increased capacity of vehicles. They should list these incomes into budgetary management and use them to deal with the difficulties of financial spending and to bring about a balance between budgetary revenues and expenses in the year. Under the premise of upholding the principle of supporting localities financially to develop the economy and the policies of enlivening enterprises, efforts should be made to readjust the current structure of incomes.
3. Departments in charge of financial and tax affairs should enhance their contacts with the people's bank and various specialized banks. Both departments and banks should cooperate or coordinate with each other to clear up the debt chain and the irrational fund occupations and to deal with the problems of tax revenues occupied by banks and of taxes owed by enterprises.

4. Efforts should be made to strictly enforce the financial and economic disciplines and to consolidate the order of financial and economic systems. In the second half the province as a whole should launch the campaign of increasing production and practicing economy as well as of increasing revenues and curtailing expenditures to cope with the more serious phenomena of unduly high levels of spending at present, the weak intention of tightening the belt, and the trend of pleasure-seeking. Efforts should be made to oppose to extravagance and waste, to foster the thinking of being industrious and thrifty, and to strictly curtail expenditures. In the second half various localities and departments should curtail their spending budget fixed at the beginning of this year for meetings or conferences by 20 percent. They should bring the overly rapid increase of social institutional purchase power under strict control, practice economy, and curtail expenditures.

5. Efforts should be made to adopt every possible way and means to control funds and to uphold the principle of managing the budgetary funds and the funds outside the budget simultaneously so as to relieve the shortage of budgetary funds. All funds for administrative units to buy non-productive things, such as equipment and vehicles, will be cut in the second half. Efforts should be made to adopt effective measures to deal with the outstanding accounts of teachers' wages and to strive to totally pay the debts before the teachers' day this year.

6. A good job should be done in successfully realizing connection and transfer between new and old financial and accounting systems. The "enterprise financial general rules" and the "enterprise accounting norms" as well as the relevant financial and accounting systems of various categories are being enforced in an overall way. Therefore, we should do a good job in estimating the influence exerted by the enforcement of new systems on enterprises' economic results and financial revenues; analyzing the financial endurance of enterprises; and formulating policies and measures by aiming at certain problems. At its second meeting, the Eighth National People's Congress Standing Committee put forward the demand for various localities throughout the country not to formulate their financial budget with deficit. Therefore, we should implement the demand immediately by bringing expenditures under strict control; use the surplus funds for balancing the annual budget; and strive to bring about a balance between the budgetary revenue and spending and to have the budget suffer no deficit.

Liaoning Report on Implementation of Plan

SK3008145593 Shenyang LIAONING RIBAO in Chinese 14 Aug 93 p 2

[Text] Yang Baoshan, vice chairman of the provincial planning commission, delivered a report to the third Standing Committee meeting of the eighth provincial people's congress on the morning of 20 July on fulfillment of the plan for the first half of this year and work focus for the second half of the year.

The report states: In the first half of this year, Liaoning's GNP registered an increase of 12.5 percent over the same period last year, with the primary industry growing by 7 percent, the secondary industry 13 percent, and the tertiary industry 9.5 percent. An increase in all sectors of the economy was maintained. First, agricultural production drew people's attention universally, and restructuring of farming was initiated. The vast number of peasants began to restructure their farming based on market demand and on the premise that grain production was stabilized. Forty-four million mu of grain were planted in the province. Second, industrial production grew in a sustained manner, and economic efficiency was improved. In the first half of this year, the output value of the industrial enterprises at and above the township level totaled 94.337 billion yuan, up 13.9 percent; and the sales rate of industrial products was 92.6 percent. The industrial output value of the state sector rose by 5.8 percent, and its sales rate rose by 7.2 percent. Both the industrial output value and sales rate of the collective enterprises of the nonstate sector grew by 32.7 percent. The key role of large and medium-sized enterprises was strengthened, and the sales rate of these enterprises reached 95.5 percent. Third, an encouraging change took place in the economic structure, and the new growing points of the economy developed at high speed. In the first half of this year, township enterprises throughout the province registered an increase of 100.9 percent in their output value as compared with the same period last year; the increased value of the tertiary industry grew by 9.5 percent; the industrial output value of other types of enterprises, mainly the three types of foreign-funded enterprises, grew by 35.7 percent; and the individual and private sectors of the economy also witnessed great development. Market circulation became even more vigorous, and the markets for consumer goods and means of production were thriving. The commodity retail sales of the province increased by 18.8 percent over the same period last year. Fourth, investment showed a substantial growth rate, and its structure changed. In the first half of this year, the investment in fixed assets of society rose by 49.4 percent over the same period last year. Fifth, foreign economic relations and trade picked up while remaining stable, and the use of foreign capital and imports showed steady growth. In the first half of this year, Liaoning's foreign exchange earned from the exports through ports increased by 1.1 percent over the same period last year, of which the foreign exchange earned from the exports of local products grew by 2.3 percent. The situation in the use of foreign capital was also very good. From January to June, the agreed amount of foreign capital was \$1.88 billion, up 1.3 times from the same period last year. Sixth, new progress was achieved in deepening reform, especially the reform of the property right system. To implement the "regulations," the province formulated the "detailed rules for implementation" early this year and facilitated the transformation of the operating mechanism of state-owned enterprises, especially the deepening of the reform of the property right system. Seventh, science and technology, education, and other social undertakings continued to

develop. The principle of "developing Liaoning with science and technology and education" was further implemented, reform of the education system was accelerated, and certain progress was achieved in public health, with the focus on promoting health care in rural areas. Cable television developed fairly rapidly, and construction of the projects to receive satellite television programs was underway. The population birth rate was kept within the planned quota. While noting the achievements, we should clearly understand the very grim situation, very conspicuous structural contradiction, low overall economic efficiency, difficulty in fund allocation, and the strained external environment for economic development.

Speaking on the focus of the economic work for the second half of this year, Yang Baoshan said: First, we should rectify the financial order and strengthen macro regulation and control to alleviate the shortages of funds in the province. We should strictly control the issuance of currency. We should make great efforts to organize the recall of credit funds, clear the channels for remittance, and raise the efficiency in making final accounts. We should resolutely correct interbank lending in violation of regulations, clearly investigate the funds involved in the interbank lending, and actively examine and recall the subloans of the monetary organizations other than banks. We should resolutely check arbitrary collection of money and, in particular, clean up collection of above-quota, high-interest, and welfare funds. We should adopt every possible means to raise funds through various channels. We should greatly increase savings deposits, establish and improve the savings responsibility system, upgrade service, and open up new categories of savings deposits to stabilize and increase the sources of credit funds. We should tap our own potential and ease the current shortage of funds by invigorating the circulation of funds. We should resolutely reduce the amount of funds tied up by finished products, goods shipped in transit, and receivable and advance payment for goods. We should check the growth of such funds in the third quarter of this year and reduce them to a level as was achieved early this year in the fourth quarter. We should continue promoting sales to reduce stockpiling, increase the marketing rate of goods, strictly examine the loans to the enterprises whose marketing rate of products is lower than 90 percent, and stop the loans to unsalable goods. Second, we should deepen the reform of industrial enterprises, adjust their structure, and improve their efficiency. We should deepen the reform of the property right system, diversify the management of state property, and establish a good mechanism. State-owned large and medium-sized enterprises should actively achieve success in the five methods for the management of property, including the overall contract for input and output, the shareholding system, and the management method as adopted by the three type of foreign-funded enterprises, and make sure that all the enterprises designated early this year to implement the various management methods carry out the methods without fail. We should adjust the structure, accelerate development and renovation, and

produce a number of good products. The current structural adjustment should be coordinated with the efforts to achieve a share in the marketplace, alleviate fund shortages, and invigorate enterprises. Liaoning's small- and medium-sized enterprises should seek support from the large enterprises with substantial strength, large foreign trade enterprises, and the localities with a well-developed market and enter the world market through renovation. We should strengthen the internal management of enterprises and achieve better efficiency through better management. The state began enforcement of the "general rule for the financial affairs of enterprises" and the "standards for the accounting of enterprises" on 1 July. When strengthening the financial management of enterprises, we should have the courage to assimilate and learn from the advanced managerial experiences and methods from abroad, greatly disseminate the modern managerial methods focusing on overall quality control, eliminate the trend of using "contracts" or "transformation" to replace management, strive to reduce production cost, and improve the economic efficiency of enterprises. We should strengthen the management and coordination of production. Regarding the strained railway transportation, the key is to strengthen the management of transportation, with the focus on strengthening the direct management of the trains and key materials covered by plans, do a good job in through transportation and container transportation, and further organize highways and railways to share the transportation burdens. Meanwhile, we should actively expand the passageways on the sea, organize ships to develop ocean shipping to take some of the strains off land transportation. Third, we should continue strengthening the fundamental position of agriculture and combat natural disasters to reap good harvests.

The current stable market is attributed, to a large extent, to the good agricultural harvests won continuously in the past few years. According to the forecast of weather departments, Liaoning's rainfall is large this year. Insect pests were reported continuously in various localities recently. We should be prepared against large disasters. This year, we should avoid IOUs when purchasing grains from peasants, apply the lowest protection price for the purchases of grain, fix ceiling prices for the means of agricultural production, subsidize grain allocation and cotton purchases, and reduce peasants' burdens. Fourth, we should restructure investment and concentrate efforts on key construction projects. We should transform the investment mechanism to ensure the returns of investment. In the next step, we should reappraise the ongoing projects and new products based on efficiency, funds, interest rate, exchange rate, and market changes and determine which ones should be "ensured, postponed, suspended, or developed." We should ensure, on a priority basis, the state or local projects that conform to the state's industrial policy, that can be completed and yield returns in the year, and that are arranged by the state and scheduled for a reasonable construction period and the key projects build with the loans of foreign governments or banks. We should postpone the projects

whose sources of funds and efficiency are not ensured. We should audit and reappraise the planned new projects and suspend those whose profit-tax rate of funds is lower than 20 percent and whose sources of funds are not ensured. Fifth, we should open wider to the outside world and establish more rapidly a new system for the export-oriented economy.

Promoting the development of opening to the outside world in both range and quality is an important guarantee for a sustained and stable economic development in the province. We should facilitate reform and development through opening up. We should particularly achieve success in Dalian's opening to the outside world to lead the multi-directional opening of the province. To accelerate Liaoning's opening up and development, we should push Dalian's opening up to a new and still higher level. All localities and departments in the province should actively support Dalian's opening up, make the best of this "window" to promote development, and establish in the province a pattern of multi-directional and multi-layered opening up as soon as possible. Focusing on the renovation of old enterprises, we should draw in more foreign investment and improve the level in the use of foreign capital. We should formulate policies to promote and support old enterprises' renovation through "transplantation" and resolve well the issues on enterprises' financial and tax systems, resettlement of redundant personnel, evaluation of property, and application of various methods for the "transplantation." We should upgrade our ability for exports by adjusting and optimizing the export product mix. We should coordinate the adjustment of the industrial structure and product mix with the adjustment of the export product mix. We should focus on adjusting the mix of textile, electronic and machinery, and farm products. We should further improve the investment climate, with the emphasis on improving the management level and service quality. Focusing on improving the management level and service quality, airports, harbors, custom-houses, and commodity inspection, foreign economic relations, and foreign trade departments should do a good job in rectification in line with the international practice and strive to achieve new improvement within this year in their intangible environment, especially the service to foreign nationals. We should make efforts to cultivate the market and facilitate the development of the tertiary industry. We should particularly do a good job in establishing the markets for means of production, such as steel products, coal, electronic and machinery products, petrochemical products, and nonferrous metals. We should make good preparations for the establishment of futures markets. We should cultivate and establish the money market system rapidly. We should strive to increase the revenue to alleviate the strained financial resources. In the second half of this year, we should make great efforts to clean up enterprises' overdue taxes and profits and the tax funds tied up by banks. We should levy overdue fines from the enterprises in default on tax payment and profit delivery

and adhere to the system of "tax transition unit." Specialized banks should strictly implement the regulations on state treasury, turn over to state treasury in a timely manner the taxes in "special accounts," and allocate financial funds in a timely manner to make sure that they do not refuse to turn over taxes to state treasury, do not delay in doing so, and do not tie up tax funds. From July to the end of this year, the localities and enterprises of which large amounts of taxes are tied up or not paid should draw up plans for cleaning up the tied-up or overdue taxes, assign responsibility for this work, and turn over to state treasury all the overdue taxes that have occurred this year. We should strengthen tax collection and management to ensure fulfillment of this year's tax collection tasks. We should open up new financial resources. We should further strengthen the restriction of the budget, act strictly according to the budget, and make no supplementary budget if no special condition occurs. The provincial government urged all localities and departments not to grand revenue reduction or expenditure increase that go counter to the state's unified policy and the budget. We should be competent in two fields of work and promote the spiritual civilization in the province. We should mobilize forces from the entire society to attain the planned targets defined early this year for science, education, population, culture, health, radio, and television.

Northwest Region

Gansu Secretary Praises Nationality Development Work

HK3108101993 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 26 Aug 93

[Excerpt] [passage omitted] On behalf of the provincial party committee, the provincial commission for discipline inspection, the provincial people's congress, the provincial government, the Chinese People's Political Consultative Conference provincial committee, and the provincial military district, Gu Jinchi, head of the Gansu provincial congratulation delegation and provincial party secretary, made an ebullient speech to mark the 40th anniversary of the founding of Gannan Tibetan Nationality Autonomous Prefecture.

Gu Jinchi said: The 40 years after the founding of Gannan Tibetan Nationality Autonomous Prefecture were the victorious years of implementing our party's policy of regional nationality autonomy. Over the past 40 years, people of various nationalities in the autonomous prefecture have lived in fraternal unity with one heart and one mind and have scored great achievements in socialist revolution and construction. He hoped that the Gannan Autonomous Prefecture would further strengthen the great unity among nationalities while fulfilling various tasks in the future; would insist on setting economic construction as the central task to vigorously develop various social undertakings, such as science, education, literature and art, and public health; would continue to train minority nationality cadres; and

would develop Gannan into a happier and more prosperous place. [passage omitted]

Xinjiang To Build New Border Trade City

OW2808022293 Beijing XINHUA in English 0213
GMT 28 Aug 93

[Text] Urumqi, August 28 (XINHUA)—A new border trade center is expected to emerge soon in northwest China's Xinjiang Uygur Autonomous Region.

A protocol for the city's construction was signed a few days ago between the Xinjiang government and Hong Kong's Yap Chau Holdings Ltd. the Hong Kong company will be the main investor in the project in Korgas (Huocheng) county which borders Kazakhstan.

The trade center, to be called the "Ka Chau Border Trade City", will be about 1.33 million sq m [square meters] in area, and the first construction phase will cost 400 million yuan.

The Hong Kong company will take charge of the city's construction and management through a locally registered branch.

The city will provide premises for trading, storage, processing, packaging, banking and transportation. Various entertainment facilities will also be set up.

The chairman of the Hong Kong firm said he believed Xinjiang would become one of the busiest parts of China opening to the outside world.

Reaction to 'White Paper' on Taiwan Question**Editorial: Paper 'Realistic'***HK0109112893 Hong Kong TA KUNG PAO in Chinese
1 Sep 93 p 2*

[Editorial: "Realistic Significance of White Paper on Taiwan"]

[Text] The State Council issued a white paper on "The Taiwan Question and the Reunification of China" yesterday. The 12,000-character white paper, which consists of seven parts, including the preface and conclusion, comprehensively sets out China's basic stance, principles, and policies on the Taiwan issue. It once again expresses its unswerving and persevering sincerity in seeking a peaceful solution to the Taiwan issue and reiterates that "one country, two systems" is the basic principle that one should uphold in resolving the Taiwan issue. It also emphatically points out that this basic national policy will remain unchanged for a long time to come. The white paper is worth careful study by all who concern themselves with the current situation between both sides of the Taiwan Strait and with the issue of peaceful reunification. From the study of the white paper, people will gather that the reunification of China is an end-result of the history that is the embodiment of the trend of the times.

The timing of the white paper is not a coincidence, and its issuance has a positive realistic significance. No matter whether we are looking at the present situation on both sides of the Taiwan Strait and the current changes and political moves within the Kuomintang [KMT] on Taiwan Island or at certain international trends in the Taiwan issue, there is a necessity for China to clarify its stance on the matter.

The Taiwan KMT held its "14th Plenary Session" not long ago. At the meeting, Li Teng-hui stressed that "the KMT will focus all its efforts on the ultimate goal of bringing about national reunification," and will place "the pursuit of national reunification" as "the first key task of its administrative work." Mainland China expressed appreciation of this move, yet it pointed out at the same time the fact that the Taiwan authorities have launched various campaigns during the recent period, claiming its wish to "join the United Nations." This move is tantamount to advocating "two Chinas" or "one China, one Taiwan." According to a report released in Taipei yesterday by Taiwan's Central News Agency, Chiang Shih-yen (the "Secretary General of the Presidential Palace") cited Li Teng-hui as saying that Taiwan has drafted a plan to apply to join the United Nations under the name of "the Republic of China in Taiwan." This fact clearly demonstrates that the Taiwan authorities have indeed devoted themselves to a course of action aimed at Taiwan's "return to the United Nations."

China has repeatedly pointed out: There is only one China in the world, and Taiwan is an inseparable part of

it. The Chinese Government firmly opposes any statements or actions which seek to split China's sovereignty and territorial integrity. The white paper indicates in explicit terms: By advocating "one country, two seats" in international organs that only admit sovereign states, the Taiwan authorities are attempting to create "two Chinas." The Chinese Government firmly opposes this move.

The Taiwan authorities can take part in some international organs' activities, such as the World Development Bank and the Organization for Asian-Pacific Economic Cooperation, but only under the prerequisite of accepting the principle that there is only one China. The participation of Taiwan in such activities has come about through the agreements and understandings reached between the Chinese Government and the relevant parties, which stipulate in clear-cut terms that the People's Republic of China joins these organs as a sovereign state, while Taiwan, as one region of China, can only take part in their activities under the name of "Chinese Taipei." Such a practice is a special arrangement and thus cannot be regarded as a "pattern" for imitation by other intergovernmental organs or international activities. There are similar stipulations governing Taiwan's participation in activities sponsored by non-governmental activities, specifically, Taiwan is only allowed to participate under the name of "Chinese Taipei" or "Chinese Taiwan" in those activities, which are also participated in by China's national organizations under the name of China. By carrying out such a practice, China aims to proceed from the fundamental interests of the Chinese nation and check the emergence of "two Chinas" or "one China, one Taiwan," not to "take away Taiwan's room for maneuver," as claimed by Taiwan. There is only one China; whoever splits China will become the man of guilt to our nation as well as to our ancestors.

It is under a certain international climate that the Taiwan authorities have recently been very active in carrying out activities aiming at Taiwan's "return to the United Nations," and it has won either overt or covert support and encouragement from certain countries, including the United States. In view of the West's declining economy and its sluggish exports of products and equipment, the Taiwan authorities have made use of their superiority in foreign exchange reserves and have spent large sums of money purchasing arms and ammunition. Meanwhile, they have also set up organs on one another's territories that are nongovernmental in name but are official permanent offices in reality. Through purchasing arms and offering economic aid to third world countries, the Taiwan authorities intend to create an image of Taiwan as "a political entity."

It was precisely due to the emergence of the aforementioned factors that the Taiwan authorities thought it was the right time to publicly advocate its "return to the United Nations."

Under the present situation, wherein the idea of "Taiwan independence" is still unacceptable to people both at home and abroad, Taiwan's words and deeds advocating "one China, one Taiwan" or "an independent political entity," as well as its similar activities in the international community have, in essence, posed a realistic threat to split China.

It is undeniable that relations between both sides of the Taiwan Strait have experienced gratifying development over recent years; in particular, cross-strait nongovernmental economic cooperation and various types of exchanges have been carried out on an increasingly larger scale. In addition, Chinese compatriots both at home and abroad have reached a consensus on various advantages brought about by mutually complementary and reciprocal economic development across the Taiwan Strait. The "Wang-Gu Talks" held last spring and the routine talks currently being carried out in Beijing by the "two associations" [the Straits Exchange Foundation of Taiwan and the Association for Relations Across the Taiwan Strait of mainland China] are both products of current brisk nongovernmental exchanges. People from Taiwan's political and economic circles all believe that Taiwan's economy will have no future if Taiwan fails to rely on the mainland. This being the case, the Taiwan authorities should not have acted one way in the open and another way in secret. It is both unwise and illusory for the Taiwan authorities to realize the goal of "eliminating communism" and to join hands with the international anti-China forces to advocate "one China, one Taiwan."

Today when cross-strait relations are at an important development stage, only "one China, two systems" and peaceful reunification conform to the realities as well as the fundamental interests of compatriots on both sides of the Taiwan Strait, and this is also an approach that should be adopted by the Taiwan authorities.

Besides urging the KMT authorities to stop carrying out activities concerning Taiwan's "return to the United Nations," the White Paper reiterates that China has shown serious concern over the rampant "Taiwan Independence" activities within Taiwan Island, and will not sit idly by and remain indifferent toward any moves which seek to bring about "Taiwan Independence." It is our heartfelt hope that the Taiwan authorities can quickly wake up to their errors, display sincerity in bringing about cooperation between the two sides of the Taiwan Strait, and work with the mainland to rejuvenate China!

Commentary: Paper 'Important Document'

HK0209025893 Beijing CHINA DAILY in English
2 Sep 93 p 4

[CHINA DAILY Commentary: "The Taiwan Issue"]

[Text] The White Paper on the Taiwan Question just released by the Chinese Government is an important document.

It gives a detailed account of the ins and outs of the Taiwan question and clearly states the principled stand and relevant policies of the Chinese Government on the issue.

A serious study of it will enable people, whatever their political tilt, to gain much enlightenment on the crux of the Taiwan issue and its eventual settlement for peaceful reunification of the country! Historical facts as quoted in the White Paper prove that Taiwan has been an integral part of China's territory from very ancient times.

The guideline for solving the Taiwan question is, as summarized by Chinese President Jiang Zemin, "reunification by peaceful means, and one country, two systems."

It is understood that the focal point shows there is only one China in this world, with its central government located in Beijing, while Taiwan is an integral part of China.

The Chinese Government firmly opposes ideas such as "two Chinas," "one China, one Taiwan" and "one country, two governments."

So long as the concept of one China is accepted, the socialist system on the mainland and the capitalist system in Taiwan can exist side by side without one trying to devour the other.

After reunification, Taiwan will enjoy a high degree of autonomy, with its current socioeconomic system, its mode of life, and its economic and cultural ties with foreign countries unchanged.

It may even keep its military forces and the mainland will not dispatch troops or administrative personnel to the island.

In short, as the White Paper has pointed out, with one China as the premise, the Chinese Government holds there is no question that is not negotiable between the two sides of the Straits.

In recent years, many Taiwan compatriots have, through visits and developing trade and investments on the mainland, contributed to closer ties across the Taiwan Straits.

Certain positive changes in the "mainland policy" of the Taiwan authorities have also been noted and welcomed by people on the mainland.

But notwithstanding their verbal adherence to the principle that there is only one China, the actual deeds of the Taiwan authorities often run counter to this stand.

One recent instance is their bid "to return to the United Nations" and achieve "parallel representation" in that organization.

The White Paper makes clear that the Taiwan issue is totally different from the Korean question or the case of

what were formerly East and West Germany. Both of these arose because of international agreements between the allies in World War II.

Taiwan, which had been occupied by the Japanese for half a century, was already returned to China in 1945 in accordance with the Cairo and Potsdam declarations.

China, as a sovereign state, has always been a member of the United Nations since its inception.

The issue in the United Nations in the first two decades since the founding of the People's Republic was who was the sole, legitimate representative of China in that world organization—Taipei or the People's Republic of China.

This question of who represents China in the United Nations was resolved 21 years ago by the overwhelming majority of states, members of the United Nations, in favour of the People's Republic.

For the Taiwan authorities now to seek a "return to the United Nations" is not only an attempt to undo that historic decision but a vain bid to publicly split the sovereignty and territorial integrity of China.

It is a demonstration of the inconsistency of their verbal "espousal" of one China while appeasing forces in and outside Taiwan who advocate so-called "Taiwan independence." Because the Taiwan question has remained unresolved for more than four decades, and because of the specious arguments advanced by the Taiwan authorities to win international support, the publication of the White Paper at this time should help people the world over to understand why any move to split China would not only never succeed but would deeply antagonize the whole Chinese nation on both sides of the Straits.

It is hoped that the Taiwan authorities would seize the current opportune moment to genuinely improve the relations between both sides of the Straits and work for the peaceful reunification of China—the long-cherished wish of the Chinese people.

It is also hoped that the just stand of the Chinese Government on the issue will be understood and supported by the world community.

Together, we can ensure the economic development and prosperity of whole of China and let this country contribute more to the peace and development of Asia and the world at large.

Kuomintang Committee Praises Paper

OW0109165293 Beijing XINHUA in English 1550
GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—The white paper on the Taiwan question issued by Chinese Government Tuesday [31 August] once again reiterates the principled stand of the Chinese Government on this question and the reunification of China, and is greatly conducive to the realization of China's reunification.

This was stated by members of the Revolutionary Committee of the Chinese Kuomintang (RCCK) at a forum held here today.

"Taiwan has belonged to China since ancient times, as is clearly testified in a large number of historical records and annals", said Hu Min, vice-chairman of the RCCK. "This is an irrefutable fact."

Hu said that the "pragmatic diplomacy" launched by the Taiwan authorities in recent years is an attempt to push the concept of "dual recognition" and "one country, two seats" in the United Nations. "Their ulterior aim is to deny the fact that Taiwan is an inalienable part of China," he stressed.

"It is common knowledge that the United Nations is an inter-governmental international organization composed only of sovereign states", said Hu, "any attempt to destabilize the reunification and territorial integrity of a sovereign state is at variance with the United Nations Charter."

The RCCK members attending the forum held that the reunification of China is a major concern for people on both sides of the Taiwan Straits and the issuing of the white paper will play a significant role in promoting the reunification of the motherland.

Shen Qiuwo, another vice-chairman of the RCCK, noted that "the strained relations between the two sides of the Taiwan Straits have been easing in recent years, but the Taiwan authorities have not yet given up their anti-Chinese Government stand, which is against the desire of all the Chinese people."

"The Taiwan question is purely a matter of China's internal affairs," said Peng Qingyuan, executive vice-chairman of the RCCK. "The policy of 'one country, two systems' formulated by the Chinese Government is a great creation for the solution of the Taiwan question," he added.

The RCCK members said that the reunification of China is inevitable, for it is the common wish of the Chinese people on both sides of the Taiwan Straits, and it is in tune with the fundamental interests of the Chinese nation.

The RCCK members said they hoped that the Taiwan authorities would take into consideration the interests of the whole Chinese nation and conduct negotiations with the Chinese Government so as to steadily pave the way for peaceful reunification.

Beijing Promotes Cultural Exchange With Taiwan

OW0109124293 Beijing XINHUA in English 1232
GMT 1 Sep 93

[Text] Beijing, September 1 (XINHUA)—Beijing sent ten cultural troupes to Taiwan and received 11 troupes from the island province in the first half of this year, according to the capital's Taiwan Affairs Office.

At the beginning of this year the Peking opera troupe of Beijing sent a group of 68 artists to Taiwan, and the Beijing People's Art Theater, a leading modern drama troupe, sent a group of 70 artists in March this year.

Some outstanding figures from Taiwan also visited Beijing this year.

According to the Taiwan Affairs Office, the municipality held more than 500 cross-straits exchange activities last year, involving culture, public health, education, sports, science and technology, and films and television.

Taiwan Scholar Chang Hsiao-tsu Visits Shanghai

HK0109124593 Hong Kong WEN WEI PO in Chinese
1 Sep 93 p 2

["Special article" by Wu Fei (0702 2431), staff reporter stationed in Shanghai: "Chang Hsiao-tsu Visits Shanghai"]

[Text] Shanghai, 31 Aug—At about 1030 this morning, more than 30 alumni from the former Soochow University gathered together in the club of the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference. Among those present were Professor Tan Jiazhen, a well-known biologist, Judge Gu Nianzu, president of the Shanghai Municipal Higher People's Court, Wang Qingzheng, research fellow and deputy director of the Shanghai Museum, and Professor Zhang Mengbai, chairman of the Soochow University Alumni Association, who is already over 80 and has just arrived from Suzhou for this special occasion. The grey-haired old gentlemen were waiting for the arrival of their friends from Taiwan's Soochow University.

At approximately 1040, Chang Hsiao-tsu, chancellor of Taiwan's Soochow University, and his party walked into the hall. Professor Tan Jiazhen stepped forward to greet them. More than 50 years ago, Mr. Tan was a teacher in the middle school attached to Soochow University. One of his students was Mr. Chiang Wei-kuo. Last year, on the eve of his Taiwan visit, Mr. Tan faxed a name list to Chang Hsiao-tsu, telling him the old schoolmates and friends he wished to see during his visit. With the help of Chang Hsiao-tsu, Mr. Tan was able to meet with the teachers and students who he wanted to see after a separation of more than 50 years. This time, Mr. Tan was very excited to see Chang Hsiao-tsu again. He said in his welcoming speech: Last year when I visited the Soochow University in Taiwan, I found they had many experiences in running a school. Today, Mr. Chang is

with us, the alumni of the former Soochow University. I hope we can exchange our experiences in running private schools.

The alumni of the former Soochow University asked Chang Hsiao-tsu to make a speech. Mr. Chang said: I have been in the mainland for 11 days, and I feel that there are two distinguishing features of my experience thus far. The first is a rational one, that is, through exchanges among scholars and the publication and exchange of papers, our views and understandings have been deepened. Second, the perceptual one, through our contacts with the masses and meetings with our alumni everywhere, we have gained a better understanding of the situation here. Being influenced by the rational element, we are able to link up our thinking, which is conducive to strengthening mutual understanding. Under the influence of the perceptual element, we are able to strengthen our feelings of affection. Mr. Chang continued: Up to the present, the feeling, whether rational or perceptual, has been expressed by a word—"genuine." He said he will take this good feeling and understanding back to Taiwan and told the alumni and teachers who were present that all the Soochow University alumni under heaven are members of the same family.

After a short meeting with the old Soochow University alumni, Chang Hsiao-tsu and his party hastily set out for Suzhou. Xu Huide, chancellor of Suzhou University, told reporters that Chang Hsiao-tsu and his party will stay in Suzhou for one day and will then visit Hangzhou and Guilin. After arriving in Suzhou this afternoon, they will meet with the Soochow University alumni there and sign an agreement with Suzhou University (which is in the same location as the former Soochow University) on exchange between the two universities. The Taiwan jurists' delegation led by Mr. Chang Hsiao-tsu arrived in Shanghai on the afternoon of 29 August. That evening, Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait, met with Chang Hsiao-tsu and his delegation. During the meeting, the Taiwan jurists pointed out that there are currently \$300 billion in nongovernmental funds in Taiwan, but only about \$2 billion have been used to invest in the mainland. The Taiwan investors hope there will be more comprehensive legal guarantees for their mainland investments. Mr. Wang Daohan said he had already put forth a proposal on this issue to the relevant central departments since he returned from Singapore. The current laws and regulations on Taiwan investment in mainland were worked out in 1988. Now five years have passed, and the relevant laws and regulations should be more elaborate and more workable.

Cross-Strait Meeting Ends Early 'Without Results'

OW0109144493 Taipei CNA in English 1424 GMT
1 Sep 93

[Text] Beijing, Sept. 1 (CNA)—A working-level meeting between the two sides of the Taiwan strait ended here Wednesday [1 September] without results.

Hsu Hui-you, head of the Taiwan delegation to the talks, said he was forced to announce an end to the meeting one day ahead of schedule because the two parties had failed to reach any agreement after three days of talks.

"I regret this development," said Hsu, deputy secretary-general of the Taipei-based Straits Exchange Foundation (SEF), a semi-official organization founded to handle civilian exchanges with the mainland.

Hsu and several SEF officials arrived in Beijing last weekend to meet with officials of the Association for Relations Across the Taiwan Strait (ARATS) starting Monday to discuss technical problems arising from increasing cross-strait exchanges.

The agenda originally included the repatriation of mainland stowaways, concerted efforts to fight crime, settlement of fishing disputes, legal assistance and intellectual property rights protection. But Hsu said because ARATS officials were focusing on the repatriation of several mainland hijackers now pending trials in Taiwan, he decided to close the talks early.

Hsu said he will pay a courtesy call to ARATS Vice President Tang Shubei Thursday [2 September] afternoon and leave Beijing Friday.

Before his departure, Hsu is expected to issue a statement regarding the aborted meeting.

This was the first cross-strait meeting following the much-publicized April talks between SEF chairman C.F. Koo and ARATS President Wang Daohan in Singapore.

Stockbrokers To Form Joint Venture With Mainland

OW0209092693 Taipei CNA in English 0807 GMT
2 Sep 93

[By Y.C. Tsai]

[Text] Taipei, Sept. 2 (CNA)—Taiwan's Core Pacific Securities Co., Ltd. has recently reached agreement with Shanghai's Wanguo Securities Co. to jointly establish a stock brokerage house in Hong Kong.

The deal marks the beginning of cross-strait cooperation in securities business, said Li Teng-chang, chief of Core Pacific's Planning Department.

Li noted that Wanguo is the oldest and biggest stock broker in Shanghai.

Preparations for the joint venture, to be named "Core Pacific Securities International Ltd.," are under way, he pointed out, adding formal operations might begin soon.

The new company has a paid-in capital of US\$10 million and will apply to become a member of the Hong Kong Stock Exchange, he added.

In addition to stock brokerage services, Li stressed, the new venture will provide other services such as underwriting, corporate finance, securities financing, and investment consultation.

Euro-Asia, German Trade Groups Sign Accord

OW0109152293 Taipei CNA in English 1355 GMT
1 Sep 93

[By T.R. Chang and Y.C. Tsai]

[Text] Bonn, Aug. 31 (CNA)—Taiwan's Euro-Asia Trade Organization and Germany's Federation of Industries signed a letter of intent to form an industrial strategic alliance Tuesday [31 August].

Tsao Yu-wei and Edgar E. Nordmann, the presidents of the two groups, signed the pact at the German federation's headquarters in Cologne, Western Germany.

This is the seventh deal of its kind since Taiwan launched a plan to form strategic alliances with foreign enterprises. Taiwan's other partners include General Motors, American Telephone and Telegraph, Motorola, and Hicks, Muse & Co. Incorporated/Mills & Partners (HMM).

Under the cooperative relationship, Taipei can be used as the business operations center for German manufacturers in the Asia-Pacific region, while Taiwan investors may use Germany as their gateway to other European markets.

Republic of China [ROC] Minister of Economic Affairs P.K. Chiang, who is visiting Germany, said at the signing ceremony that technological exchanges would enhance trade cooperation between the two sides.

Nordmann pointed out that Germany's small and medium businesses could learn a lot from their counterparts in Taiwan. Through the alliance, he said, trade ties between Taiwan and Germany will continue to expand.

Technology Cooperation Accord Signed With Bolivia

OW3008001893 Taipei Voice of Free China in English
0200 GMT 27 Aug 93

[From the "News" program]

[Text] The Cabinet on Thursday [26 August] approved the ROC [Republic of China]-Bolivia Technology Cooperation Agreement which was penned by the National Science Council [NSC]. Under the agreement, the two countries will work together to develop technology, and

especially look to encourage investment, exchange technology personnel, and partake in technology transfer. In addition, the two sides will set up a joint committee which will hold negotiations with other technology organizations from other countries regarding technological breakthroughs made by Bolivia and the ROC.

The NSC stated that Bolivia's vice president in April expressed his desire to see technology cooperation established between the two countries. While the two nations do not have formal diplomatic relations, each nation has set up a representative office in the other using its formal national title. In addition, representatives are afforded full diplomatic treatment. The NSC said that Bolivia's technology base is weak, and in order to assist the two countries to develop better ties, economic officials between the two countries decided to ink the agreement.

Agriculture Accord With Papua New Guinea To Be Renewed

OW3008142193 Taipei CNA in English 1340 GMT
30 Aug 93

[By Benjamin Yeh]

[Text] Taipei, Aug. 30 (CNA)—The Republic of China [ROC] on Tuesday [31 August] will renew the two-year agricultural technology agreement it signed with Papua New Guinea in 1990.

Sun Ming-hsien, chairman of the Council of Agriculture (COA), and his counterpart Roy Evara will ink the pact on behalf of their respective governments.

The ROC had sent a group of agricultural experts to the south Pacific country one month after the accord was signed in September, 1990. The technologies they brought subsequently resulted in bountiful harvests of such crops as rice and watermelon, a COA official said. "Both the government and people of that country have sung praise to the group," the official said.

With a population of 4 million people, Papua New Guinea occupies an area of 460,000 square kilometers—about 13 times the size of Taiwan—and is rich in fishery, mineral, and forest resources.

President: KMT Wants Clean, Efficient Government

OW0109235093 Taipei CNA in English 1350 GMT
1 Sep 93

[Text] Taipei, Sept. 1 (CNA)—President Li Teng-hui, speaking in his capacity as chairman of the ruling Kuomintang, called on administration officials to work toward the goal of a cleaner, more efficient government.

Li, who was speaking before the newly-elected KMT central standing committee, gave the directive after hearing an administrative reform proposal by the Executive Yuan.

He hailed the plan, saying it detailed concrete and workable steps that should be thoroughly implemented by government agencies.

"Now that the general public's demand on us is high, we simply should not be slack in our work... From now on, every KMT member from myself down should take the responsibility and sincerely work for our people. Only by so doing can we win their trust and support," Li said.

Li also asked the evaluation and discipline committee of the KMT central committee to look into allegations of bribery surrounding the 14th KMT National Congress.

This was the first meeting of the central standing committee since it was reshuffled during the KMT congress in mid-August.

Consumer Prices Up 2% Per Year for Past Decade

OW0209084993 Taipei CNA in English 0810 GMT
2 Sep 93

[By Lilian Wu]

[Text] Taipei, Sept. 2 (CNA)—Taiwan's consumer prices registered an average annual increase of 2 percent in the past decade, the Directorate General of Budget, Accounting and Statistics (DGBAS) said Thursday [2 September].

DGBAS said the figure, though higher than 1.8 percent in Japan, was lower than 3.8 percent reported in the United States and 5.2 percent in South Korea.

DGBAS also found the price increase in the service industry was 4.7 times that of the commodities in the past 10 years, signalling that the service price increase will be the driving force behind long-term consumer price hikes.

Consumer prices edged up 0.6 percent annually between 1983 and 1988 due to a slump in oil prices, a large NT [new Taiwan] dollar appreciation, and a gradual reduction of customs tariffs, DGBAS said.

But soon afterwards, oil prices began to rise. Combined with the fluctuation of the NT dollar and wage increases yearly, consumer price increases hit 4.2 percent between 1989 and 1991.

Taipei Refuses Comment on Rhino Horn Trade Charges

OW0109152993 Taipei CNA in English 1417 GMT
1 Sep 93

[Text] Taipei, Sept. 1 (CNA)—The Council of Agriculture (COA) Wednesday [1 September] refused comment on charges made by a British group that Taiwan has failed to stamp out the illegal rhino horn trade.

According to reports from London, Britain's Environmental Investigation Association (EIA) will file charges

against Taiwan at a meeting of the Standing Committee of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) next week in Brussels.

At the meeting, CITES member nations will decide whether to impose sanctions on Taiwan, Mainland China, South Korea and Yemen, countries that have come under fire from the international community for failing to eliminate rhino horn trade.

According to the EIA, 19 out of the 24 Chinese herb shops they visited in Taipei offered rhino horn powder for sale. The EIA videotaped the operation.

COA officials stressed the unfairness of the EIA only targeting Taiwan, citing Taiwan's efforts to protect endangered animals. They urged the Hong Kong Government to crack down rhino horn trade in Hong Kong as well, because all rhino horns in Taiwan go through the British colony first.

Government Studies Petroleum Tax Measure

*OW3008142093 Taipei CNA in English 1345 GMT
30 Aug 93*

[By Y.C. Tsai]

[Text] Taipei, Aug. 30 (CNA)—The government might impose petroleum taxes as an energy conservation and environmental protection measure, the Council for Economic Planning and Development said Monday [30 August].

Council officials pointed out that prices of various petroleum products here are relatively low compared with those in other countries such as South Korea and Japan.

For example, the officials noted, a liter of premium gasoline at the end of March was NT\$9.39 [new Taiwan dollars] (US\$0.34), or around 35.58 percent lower than the average of the prices in South Korea, Japan, Singapore and Hong Kong.

At the same time, domestic fuel oil cost NT\$809 per kiloliter (US\$29.96), or 18.14 percent less than the average of the four areas, while the difference in the diesel oil price was 4 percent in Taiwan's favor.

The officials also noted that Taiwan's 3 percent import duty on crude oil is lower than South Korea's 10 percent and Japan's 16.6 percent.

A low oil price would sharpen the competitive edge of Taiwan's exports in the short term, but would harm efforts at energy conservation in the long run, they elaborated.

The United States and Japan already have petroleum taxes, while South Korea is planning to follow suit.

Taipei Studying Tourist Opening of Offshore Islands

*OW2408084993 Taipei CNA in English 0748 GMT
24 Aug 93*

[Danielle Yang]

[Text] Kaohsiung, Aug. 24 (CNA)—The Republic of China [ROC] is studying the feasibility of allowing tourist visits to the Pratas and Taiping Islands.

Following the successful opening of the offshore island of Kinmen for sightseeing, the ROC South China Sea task force has asked the Kaohsiung Harbor Bureau to study the feasibility of developing the two islands into tourist resorts.

Members of the task force will meet on Aug. 25 in Kaohsiung to discuss construction of fishing wharfs on the two islands for loading and unloading of cargo in anticipation of future development.

Pratas Island is a coral reef located 240 miles off the coast of Kaohsiung. Taiping, the largest island of the Spratlys, is 840 miles from Kaohsiung. ROC troops are stationed on both islands.

Residents Face 'Deteriorating' Living Standards

*OW3008091193 Taipei CNA in English 0801 GMT
30 Aug 93*

[Lillian Lin]

[Text] Taipei, Aug. 30 (CNA)—Taiwan is paying too high a price for its rapid urbanization and industrialization. The over 20 million residents on Taiwan, especially those in urban areas, live in cramped quarters, breathe polluted air, drink polluted water and face a daily barrage of disquieting noise.

According to a survey conducted by the Directorate General of Budget, Accounting and Statistics [DGBAS], at the end of 1992, Taiwan's population stood at 20.75 million, with an average population density of 576 people per square kilometer.

In urban areas, however, the population density averaged more than 2,700 people per square kilometer.

In Taiwan's overpopulated cities, pollution caused by mountains of garbage, automobile and motorcycle exhaust and numerous construction undertakings wears on even the most hardy of residents.

And there is no end in sight. The DGBAS survey showed the number of automobiles and motorcycles increased by 1.3 million in 1992, to reach 13.87 million.

Although the industrial parks have accommodated many pollution-making industries, small plants producing noxious waste emissions are common in residential areas.

Energy consumption in 1992 totaled 57,514,000 kiloliters of gasoline equivalent, up 5.59 percent over 1991. Each additional liter of gasoline burned contributes to the already sickening air and water pollution.

On top of it all, garbage disposal remains a major problem. Last year, Taiwan created nearly 8 million

metric tons of garbage, in addition to innumerable tons of waste soil from construction sites.

Taiwan sacrificed its once pristine natural environment for economic development. While both the government and the people are becoming more and more conscious of their deteriorating living standards, environmental protection efforts can hardly make up the losses.

Hong Kong

Joint Liaison Group With UK Begins Talks 1 Sep

OW010-142693 Beijing XINHUA in English 1415
GMT 1 Sep 93

[Text] Hong Kong, September 1 (XINHUA)—Experts of the Chinese and British sides of the Joint Liaison Group (JLG) started a three-day discussion here today, focusing on matters relating to Hong Kong's future defense and public order.

The Chinese team is led by Chinese representative Luo Jiahuan and the British team is led by British representative Alan Paul. They are assisted by experts from the two sides.

PRC Working Group Seeks Pre-1997 Budget Influence

HK3008024093 Hong Kong SOUTH CHINA
MORNING POST in English 30 Aug 93 p 1

[Report by Chris Yeung]

[Text] The China-appointed working group on Hong Kong's handover to the mainland will seek more say in the territory's economic affairs—including budgets before 1997—if Beijing and London remain at loggerheads, according to influential businessman Vincent Lo Hong-sui.

If the two governments could not rebuild mutual trust there would be a need for the Preliminary Working Committee (PWC) for the Special Administrative Region's (SAR) Preparatory Committee to monitor the territory's transitional development he said.

"When we talk about Hong Kong's budget it appears that we are already interfering with the territory's domestic affairs," he said. "But the reality is that the budget has to look ahead and cover a period of five years."

"It might be necessary for the PWC to look at the matter as the SAR is yet to be set up."

Mr Lo emphasized, however that the PWC should not become a power base that undermined the authority of the British administration. Nor should it draw up policies for the SAR.

"I believe many Hong Kong people share the view that we should be well-prepared [if there is a lack of co-operation between the governments]," he said.

Mr Lo is a member of the PWC's economic sub-group which will hold a two-day meeting in Beijing from Friday. The PWC political sub-group will hold a two-day meeting from Wednesday.

He said the PWC should establish a consultation process with the Government on the territory's budget because the Basic Law says the future SAR government should seek a balanced budget and avoid deficits.

"There are some provisions in the Basic Law that might have to be implemented before 1997 to protect the interests of the SAR," said Mr Lo.

"The budget set by the Government might have considerable impact on the SAR."

"It's a matter of fact that the Financial Secretary's next budget will carry some impact beyond 1997. Shouldn't the SAR be informed and have certain 'understandings' on the budget? 'We hope that the two governments can devise some guidelines on matters that might have long-term impact on Hong Kong,'" added Mr Lo, who is chairman of the Shui On group.

The PWC's economic subgroup should also study whether the Government's economic strategy would bring about "drastic changes" that might not converge with the Basic Law.

But he stressed that the committee should only scrutinize broad policies—not the "nitty-gritty". That remained a matter for the British administration.

Mr Lo, who heads the Business and Professionals Federation, said the group should also consider major economic projects that straddled 1997, such as the multi-billion-dollar airport plan for Chek Lap Kok.

"If the Chinese and British Governments fail to agree on political reform it will certainly affect our work. The PWC will have to have a greater degree of participation."

But legislator Fred Li Wahming said the PWC should not interfere with Hong Kong's internal affairs.

The Legislative Council would monitor pre-1997 government spending and help avoid over-spending, he said.

"It seems as if they have turned themselves into the 'think-tank' of the Chinese side," he said.

Columnist Criticizes Expatriate Civil Servant Policy

HK0209011693 Beijing FAZHI RIBAO in Chinese
22 Aug 93 p 4

["Political Forum" column by Xue Mei (7185 2734): "A Move That Violates Fairness and Justice—Commenting on the British Hong Kong Government's Unilateral Action To Change Policy on Expatriate Civil Servants"]

[Text] On 30 July this year, the British Hong Kong Government, without securing the Chinese side's agreement beforehand, suddenly announced that civil servants currently employed on overseas contract terms can apply to be employed on local terms after acquiring the status of permanent Hong Kong residents.

According to Hong Kong's current civil service system, civil servants in Hong Kong are divided into four categories: overseas contract civil servants, overseas permanent and pensionable civil servants, local contract civil servants, and local permanent and pensionable civil

servants. Overseas contract civil servants and overseas permanent and pensionable civil servants are called expatriate civil servants, and they are employed according to terms that are different from those for local contract civil servants and local permanent and pensionable civil servants. At present, there are in total more than 2,000 expatriate civil servants in Hong Kong, and 1,350 of them are overseas contract civil servants. Most of them hold senior posts in the government's administrative, police, and justice departments. According to the decision made by the British Hong Kong Government, approximately 800 people among the overseas contract civil servants may apply to be naturalized as British Dependent Territories Citizens, because they have lived in Hong Kong for more than seven consecutive years and may gain the status of permanent residents of Hong Kong and switch their employment terms to local contract terms. They may thus enjoy all the preferential policies accorded to local civil servants. Moreover, after their service contracts have expired, the Hong Kong Government may further consider whether to make them into local permanent and pensionable civil servants according to the circumstances at the time.

The British Hong Kong Government's decision evoked a strong outcry in all social circles throughout Hong Kong. Public opinion generally maintained that the policy change made of the British Hong Kong Government completely violated the principle of fairness, reasonableness, and justice, and was undoubtedly aimed at continuing to consolidate the unreasonable situation in which senior government posts are held by foreign nationals. This demonstrated that the British Hong Kong Government disregarded the objective fact that local civil servants had been subject to discrimination for a long time. The decision in essence abrogated the localization policy of gradually replacing expatriate civil servants with local civil servants as specified by the Sino-British Joint Declaration. The consequences of this decision will not only deepen the contradiction between local and expatriate civil servants and seriously dampen

the morale of local civil servants, but it will also be unfavorable to the smooth transition of the civil service system in 1997.

In addition, various social circles in Hong Kong also generally held that any major change in Hong Kong's civil service system should be discussed with the Chinese Government and should be in line with the relevant provisions of the Sino-British Joint Declaration and the Basic Law.

It should be pointed out that the British Hong Kong Government's decision to allow foreign nationals to be naturalized as British Dependent Territories Citizens and thus acquire the status of permanent residents of Hong Kong after they have lived in Hong Kong for seven consecutive years is not in line with the provision of the Hong Kong Special Administrative Region Basic Law on who is entitled to receive permanent resident status. According to Article 24 of the Basic Law, to be a permanent resident of Hong Kong, a foreign national should reside in Hong Kong for a continuous period of not less than seven years and should take Hong Kong as his or her place of permanent residence. This means that, to acquire the status of a permanent Hong Kong resident, individuals who are not of Chinese nationality should meet two requirements: First, they should intend to reside in Hong Kong permanently. Second, such permanent residence should exist in fact. That one has lived in Hong Kong for seven consecutive years only proves the fact of permanent residence, but foreign nationals cannot acquire the status of permanent residents solely on the basis of this fact. They must also meet various conditions that prove their intention to take Hong Kong as their place of permanent residence. The relevant provision of the Basic Law is in line with the practice of most countries in the world. Therefore, the British Hong Kong Government violated the Basic Law by announcing that overseas contract civil servants will be allowed to renew their employment contracts on local terms after they have become permanent residents of Hong Kong.

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